

## Boom, Bust & Dust

- The Roaring Twenties  
- Canada's Great Depression

Post-War Canada (1919 – 1939)

## Influenza Virus

- Troops returning from war brought home a deadly flu virus, killing thousands 50,000 in the first year.
- In fact, the virus killed MORE people worldwide than the Great War:
  - 20 to 40 million worldwide.
  - 20 million military/civilian deaths

## UNIONS

And the Red Scare of Communism

## Labor Problems & Unions

- There weren't as many jobs to go around with all the factories closing.
- Also, returning soldiers wanted their jobs back.
  - Increased competition meant employers could keep wages low.
  - Workers felt they had to unionize to protect their rights.
- WHY UNIONS?
  - Low Wages
  - Unfit Working Conditions
  - No labor regulations
- Remember that unions began during WWI!

## One Big Union (1919)

- Working class people all over the world wanted all workers to organize in order to protect the rights of workers.
  - Canada was no different.
- A large union might be able to earn back some rights by organizing strikes.

## The Red Scare (Communism)

- The typical response to unions was to see them as Communist.
  - People feared that Communism was spreading throughout North America.
- Bolshevik Revolution had occurred in Russia during and after World War One.
  - Workers saw this as an example of successful 'socialist' reform.

## Why Fear the Bolshevik Revolution?

- It overthrew Russia's leaders.
- Led to the Russian Civil War (1917-20) and the creation of the Soviet Union (1922).
- To many people, Socialism was the same thing as Communism.
- Governments around the world feared something similar might happen in their countries.
  - Canada included.

## Socialism vs Communism

- Socialism is an idea that shares the benefits of industrialization equally.
  - It is mainly an economic principle.
  - Workers have a lot of power under a socialist ideal.
- Communism is the political and economic belief that – through social control and economic control – societies will flourish.
  - Government controls much of people's lives.

## Winnipeg General Strike - 1919

- Metal workers wanted 85 ¢ an hour and walked off the job.
- 35,000 workers joined in 'sympathetic strikes' across Canada that lasted six weeks.

### Government Reaction in Ottawa

- Borden and middle-class Canadians feared the strikes were the work of 'foreign Bolsheviks'.
  - Tried to suppress strikes and demands of workers.
  - 'Sympathetic' federal employees (including police officers) who walked out were fired.
  - The Immigration Act was amended:
    - Permitted the deportation of 'radical aliens'.
- Bloody Saturday
  - June 21, 1919
  - Police attacked a strikers' parade, killing 2 and injuring 30.

### Strike Aftermath

- Investigations proved that the strike wasn't a 'criminal conspiracy' by foreigners.
- However, the workers were defeated (they needed pay so they went back to work).
- The strikes did improve working conditions for millions of Canadians.

### Political Unrest

- Quebec:
  - Isolationism
  - Conscriptio Aftastate
  - Ontario's opposition to bilingual education
- Western Canada/Prairies
  - Isolationism
  - Mistrust of political parties
  - Elected politicians to serve farmers' interests.
- The Maritimes
  - As usual, the Maritimes felt isolated and neglected by the rest of Canada.
  - Wanted a larger influence in the nation's affairs.

### Isolationism in Peace Time?

- Non-Intervention
  - Avoid affairs (and wars) that don't deal directly with your territory or the self-defence of the territory.
- Protectionism
  - Create legal barriers to prevent trade/cultural exchange with people in other countries/states.

### PRIME MINISTERS

in the 1920s

### Sir Robert Borden

- 1911 – 1920
- Retired after:
  - Commonwealth of Nations
  - Leadership in War
  - League of Nations
  - Imperial War Cabinet
  - War Measures Act \*
  - Income Tax \*
  - Treaty of Versailles
  - \$100 Bill

### Arthur Meighen

- Borden's second-in-command, he created the original Conscriptio Act.
- Sworn in after Borden retired, he only lasted until the end of the year.
- Elected again for a short stint in 1926.

### William Lyon Mackenzie King

- Fought on Laurier's side against Conscriptio (1917).
- Served (on and off) 21 years.
- Widely regarded as Canada's best Prime Minister.
  - Kept diaries.
  - Lifelong bachelor.

### Richard Bedford (RB) Bennett

- Millionaire from NB.
- Part of Meighen's cabinet.
- Made promises he couldn't keep to get elected.
  - Bad timing: Depression

### Canada/US Relations: Sound Familiar?

- Business between our countries was booming.
- US investment in Canada was high.
- We lost many skilled workers to the US.
- American culture was a major influence here.
- Booze smuggling was becoming a problem.

### The Roaring Twenties: Prosperity

- After the Great War, people wanted to enjoy themselves again:
  - Glamour
  - Jazz
  - Dance halls
  - Boozing
  - Crime
  - Corruption

### Prohibition: Why?

- Began in 1916 as a means to save money for the war effort.
- Why was it Abolished?
  - Impossible to enforce.
  - Gave gangsters too much power.
  - Provinces losing valuable tax revenue.
  - Unpopular with the majority of citizens.
  - Government agreed to start liquor control policies.
- Women's groups (like the WCTU) were at the front in persuading governments to adopt it.
- Abolished in most provinces by 1924 (PEI in 1948).
- Abolished in the USA in 1933.

### Prohibition Problems

- Bootleggers
  - Made and sold illegal liquor.
- Speakeasies
  - Private clubs. Peepholes at the entrance.
- Rumrunners
  - USA was 'dry' from 1919-33, so Canadians made a fortune smuggling liquor.

### Gangsters

- Al Capone (USA) and Rocco Perri (Canada) thrived by selling illegal liquor and by 'taking care' of their competition.

### Effects of Prohibition

- Lower crime rate
- Less arrests for drunkenness
- More cheques came home and not to the tavern.
- Fewer work days missed made industry more efficient.

### Factories

- Post-war, many factories changed (retrofitted) to make home products and appliances.
- People could now buy electric ovens, toasters, washing machines, vacuum cleaners, etc.

### Insulin

- 1922: Dr Frederick Banting discovered this treatment for diabetes.

### Also Invented in the 1920s

- Hair Dryers
- Traffic Lights
- Koool-Aid
- Q-Tips
- Band-Aids

### Airplanes & Automobiles

- Used in the war, but now outfitted for civilian uses like mail delivery.
- Thousands now could purchase their own affordable automobile...for now.

## Radio

- The TV of the 1920s.
- First broadcast in Canada occurred in 1920 by XWA radio in Montreal.
  - It was owned by the Marconi Wireless Telegraph Company.

## The Golden Age of Sports

- First Grey Cup in 1921.
- Hockey Night in Canada began on radio in 1923 (on TV in 1952).
- Olympics in Amsterdam in 1928 (15 medals).
  - Bobbie Rosenfeld
  - Percy Williams

## Hollywood(land): Actors/Lovers?

- Charlie Chaplin's Little Tramp was a box-office boom.
- Mary Pickford (America's Sweetheart) was a Canadian.
- Rumors persisted about their supposed 'affair'.

## The Flappers

- Smoked, drank, danced, voted!
- Short skirts, wore make-up, partied – 'unacceptable behavior'.
- Offensive to older generations.
- Soon, it all came to a crashing halt.

## CANADA'S GREAT DEPRESSION

From A Short History of Canada (Desmond Morton)

## Great Depression Fast Facts

- Occurred in Europe, the US, and Canada.
- Canada was hit the hardest and took the longest to recover.
- The darkest days in Canadian history.
  - Economic crisis
  - Unemployment
  - Poverty
- Governments were powerless to reverse it.
- Decade became known as the 'Dirty Thirties'

## What Caused the Depression?

- Wall Street Crash?
- Rising Skirts?
- Falling Morals?
- Lack of Prayer?
- Living Beyond our Means?
- Living Beyond a Minimum Standard of Decency?
- In 1929 the Department of Labour insisted that a family needed \$1200 - \$1500 a year to maintain a 'minimum standard'.
- 70% of working Canadians earned less than \$1000 a year, so most Canadians were poor.
  - Nothing new there - they had been poor for generations.

## USA: The Wall Street Crash

- The stock market in the US was 'roaring' during the 1920's.
- After the war, prices for stocks kept rising higher and higher, and investors made money quickly and easily.
- Buying on margin was popular.
  - Buying on margin allowed people to buy stock on credit.
  - Worked fine when stock prices were high.
  - In 1929, prices fell and stock brokers wanted payment for stocks.
  - To pay, investors tried to sell stocks.
    - With everyone selling, no one was buying stocks anymore.

## Black Tuesday: October 29, 1929

- The US stock market crashed, which also greatly impacted other countries, especially Canada.
- Americans could no longer afford to buy our goods, meaning Canadian manufacturers had fewer buyers for our products.
  - They were forced to lay off workers, and cut wages of remaining employees.

### Wall Street Crash vs Wheat Crop

- While 'Black Tuesday' is generally accepted as the beginning of the US Depression, we can blame an enormous wheat crop in 1928 for the Canadian version.
- Shouldn't that be a good thing?
  - Not necessarily.

### Aaron Sapiro and the Wheat Pool

- A Chicago lawyer persuaded Western farmers to pool their wheat harvests and create a wheat 'cartel', which would be powerful in regulating prices and wheat production.
  - It worked brilliantly as long as there wasn't too much wheat nor any serious competition. By 1928, there was both.
    - Worldwide wheat surplus
    - Cheaper wheat in the USA, Argentina, Australia, and the Soviet Union.

### What? Me, Worry?

- Canada was still prosperous.
  - Inventories were large; there were problems coming:
    - Stock market crash
    - Wheat orders were down
  - The economy was based mostly on credit and exporting goods. What happens when creditors want repayment and exports dry up?
    - Buyers cut/cancel orders
    - Construction slows
    - Wages get cut
    - Half-time work became normal
    - Temporary work stoppages were instituted

### The Five-Cent Speech

- 1929: 3% of Canadians were out of work
- 1930: 11% out of work
- Politicians felt these numbers were 'inflated' by the provinces in order to get \$ from Ottawa.
- WLMK believed it was a Tory ploy to get votes.
  - When asked about helping the provinces that opposed his policies, King remarked: 'I would not give them a five-cent piece'.
    - Bad idea.

### WLMK Wasn't Worried

- The economic hardships didn't affect him.
- His spiritualist said things were going well and he just cut the federal sales tax to 1%.
- If he had to call an election, he'd just mention 'conscription' and people in Quebec would be reminded to not vote for the Tories.

### Richard Bedford Bennett

- A lawyer born in New Brunswick.
- Considered by King to be inferior to Meighen, whom he didn't respect either.
- In the election:
  - He used the 5¢ speech against King.
  - Convinced voters King was 'callous'
  - Demanded free trade.
  - Raised tariffs
  - He won the election in 1930

### The CRBC (CBC)

- RBB created the 'sadly underfunded' Canadian Radio Broadcasting Commission.
- Used radio broadcasts to tell people how well we were doing (propaganda).
- Radio provided escape from hopelessness
- 'Media in the 1930's accepted a solemn duty to trivialize or ignore the misery of millions'
  - Musicals, films, air races, pro sports, Dionne Quintuplets

### The Depression by 1933

- 23% out of work; 1/3 of Canada's manufacturing jobs vanished; farm income dropped by over \$300 million; 15% wage cuts were imposed by Ottawa/provinces.
- People who lost their jobs were desperate (there was no employment insurance or welfare services).
- Men began "riding the rails", traveling from one city to the next looking for work, but there were almost no jobs.

### The Misery of Relief

- The government set up relief camps for some unemployed men, but the conditions were horrible.
- The men worked long days at hard labor such as building roads, and in return, they were given clothes, lodging, and 20 cents a day.
- Proud families would literally die rather than accept relief.

### Hardest Hit: The Prairies

- Wheat farmers suffered greatly.
  - Because of the wheat pool, it was hard enough for them to sell their crops
  - from 1933-38 there was almost no rain on the Prairies.
  - The topsoil was dry and just blew away.
  - Only a small amount of the seed grew in these conditions.
  - Swarms of grasshoppers ate all the wheat they could find.
- Life was a struggle – no money for shoes, clothes were often made out of burlap flour bags, people survived by eating gophers they could catch in the wild, and some people couldn't pay their mortgages and ended up losing their farms (starting to sound somewhat familiar?)

### The Last Best West?

- Settling the West had been Canada's greatest achievement. By 1933, Saskatchewan was Canada's poorest province.
- People readily accepted relief from other provinces (although they didn't know what to do with salt cod from Newfoundland)

### GOVERNMENT

Hard to Lead in an Economic Crisis

### Bennett and King

- Bennett struggled to find a way out.
- The Liberals (under King) had no alternatives.
  - Lucky to be defeated in 1930 and in no rush to help the Tories, not that Bennett ever took anyone's advice.
- His reaction to criticism was to strike out and blame the Communists.

### New Political Parties in the West

- Social Credit Party
  - William Aberhart was its leader.
  - He was a preacher who won support by mingling 'radical and conservative' messages
  - Relied on support of unions.
  - Used radio for messages
  - Only in AB and SK
- Cooperative Commonwealth Federation
  - Formed to create a 'full program of socialized planning which will lead to the establishment in Canada of the co-operative commonwealth'.
  - To many, this sounded a lot like Communism and even the Communists didn't like the competition.
  - CCF made strides in Saskatchewan, but not even the Depression could make many Canadians accept socialism.

### A Need for Heroes

- In the US, Franklin Delano Roosevelt's 'New Deal' was sweeping the nation. 'For the first time, Canadians coveted their neighbor's political leadership'
- Bennett was having no luck:
  - Bennettburgs
  - Bennett buggies
- Bennett attempted to 'borrow' parts of the New Deal to use at home.

### Bennett's 'New Deal'

- RBB created a Canadian New Deal.
  - 'There can be no permanent recovery without reform, and, to my mind, reform means Government intervention. It means government control and regulation. It means the end of laissez faire'.
    - That meant unemployment insurance, minimum wages, maximum hours of work, measures against price-fixing, and a federal trade commission.
- Many Canadians felt the New Deal violated civil rights.

### King's Response

- If the New Deal worked, King would try to take all the credit.
- If the New Deal failed, he'd say it was a bad idea and an example of a 'Tory Dictatorship'.
- He felt that most of the New Deal was beyond Ottawa's power anyway.
- RBB lost a lot of support within his own party.

### 'On to Ottawa Trek'

- Communist organizers took men from the relief camps on a march to Ottawa.
- The men agreed 'there had to be more to life than laboring under army discipline for 20¢ a day'.
- The men were going to ride the rails to Ottawa to protest.
  - RBB ordered the trek halted in Regina.
  - A small riot ensued, and two men were killed.
  - A severe blow to Bennett's political future.

### 1935 Election: 'King or Chaos'

- WLMK chose this slogan, made no political promises, and won a major majority.
  - ▣ Because so many people were dissatisfied with government, new political parties starting cropping up.
  - ▣ This number of parties split the vote and helped King win big.

### King's Luck

- He was both lucky in defeat in 1930 and in victory in 1935.
- He reaped the benefits of the best parts of Bennett's New Deal.
- Also:
  - ▣ He replaced the CRBC with the CBC.
  - ▣ He began Canada's first airline (TCA)

### What About the Depression?

- We hit rock bottom in '32 and slowly climbed out, thanks in part to Bennett's policies.
- In the US, Roosevelt discovered that 'purchasing power was a key to recovery'.
  - ▣ We followed suit.
- Sound familiar?
- The Great Depression forced Canadians to realize how difficult it was to face a fragile economy with a feeble government and penniless provinces.
- World War Two resolved our economic worries with some new ones.