The Thirties: A Decade of Despair

**FOCUS ON**
- What was the federal government's immediate response to the economic crisis of the 1930s?
- Which parts of Canada suffered most from the Depression?
- What remedies did the federal and provincial governments use to try to deal with the Depression?
- What were the programs of new political parties that arose in response to the Depression?
- What steps did the government take to try to protect Canadian culture?
- What events led to World War II?

**Counterpoints Issue**
- How involved should the government be in the economy during a depression?

*Recluse* by Bertram Brooker. Brooker was born in England and moved to Canada at the age of seventeen. He lived in Manitoba and Saskatchewan before moving to Toronto in 1921. *Recluse* was painted in 1939.

**Expressing ideas** What does Brooker's painting say about life in the Depression? How does the title relate to social and economic conditions in the 1930s?
Chapter 4

The Thirties: A Decade of Despair

Introduction

James Gray was a young man at the beginning of the Depression. This account of his family’s struggle to survive those difficult years is a vivid picture of the hardships endured by ordinary Canadians in the bleakest decade of the twentieth century:

For two months, half a million farm people huddled around stoves and thought only of keeping warm. If food supplies ran low they ate less. Only when fuel reached the vanished point would they venture to town for a load of relief coal…. Winter ended with a thaw … and presently we were into summer which was much worse…. There was no escape from the heat and wind and dust of the summer of 1936…. From Calgary to Winnipeg there was almost nothing but dust, in a bowl that extended clear down to Texas. Within the bowl was stifling heat, as if someone had left all the furnace doors open and the blowers on.


Falling Off the Economic Edge

The end of the economic boom came as a surprise to many Canadians. With only 4.2 per cent unemployment in 1929, it looked as if the good times would continue far into the future. Activity on the U.S. and Canadian stock exchanges was feverish. Between 1922 and 1926, Canadian companies issued new shares to a value of $700 million. Virtually every company’s profits went up in these years, and share values went up too. Many investors were buying “on margin,” that is, buying shares with only a 10 per cent down payment. It was assumed that when the prices of the stocks increased, as they had for ten years, the remaining 90 per cent would be paid. Loans for stocks were easy to obtain, and the rush to get rich quickly had driven the price of stocks up beyond their real value.

When some cautious investors started selling their stocks in order to cash in on high profits, other investors rushed to follow their lead. Sellers panicked as the value of stocks fell dramatically. On October 29, 1929, the New York Stock Market collapsed, followed by the Toronto and Montreal stock markets. The effects of the collapse were devastating. Investors who had borrowed heavily to buy shares went bankrupt in a single day. The collapse of the stock market was the beginning of the Depression, a period of severe economic and social hardship, massive unemployment, and terrible suffering. The stock market crash contributed to the severity of the Depression, but it did not cause it. There were several reasons for the Depression.

1929 N.Y. Stock Market crashes on Wall Street.
1930 R.B. Bennett becomes prime minister.
1931 Severe drought devastates the Prairies.
City dwellers outnumber rural population for the first time in Canada.
Japan invades Manchuria.
1932 Cooperative Commonwealth Federation (CCF) established.
1933 Unemployment hits highest level.
Federal relief camps established.
Hitler comes to power in Germany.
1935 On-to-Ottawa Trek occurs.
Mackenzie King is elected prime minister.
Italy invades Abyssinia (Ethiopia).
1936 Canadian Broadcasting Corporation established.
Germany sends troops into the Rhineland.
1937 Royal Commission on Dominion Provincial Relations created.
1938 Kristallnacht takes place in Germany, as Nazi followers attack Jewish businesses.
Germany annexes Austria.
1939 Germany invades Czechoslovakia.
Germany and Soviet Union sign non-aggression treaty.
Germany invades Poland.
One sign that the North American economy was in trouble appeared in 1927 when the price of wheat on the world market began to fall. More wheat was being produced than was being sold. Canadian and U.S. wheat farmers had depended on foreign markets, but many countries were producing their own wheat. As sales decreased, the income of farmers dropped. Soon many were unable to meet their mortgage and loan payments.

Many industries in the United States and Canada were experiencing a similar problem of overproduction. More goods were being produced than were being sold. At first, manufacturers continued to stockpile goods; then, they began cutting back on the goods they were producing. This decrease in production led to layoffs in factories, which meant less income for families, and less spending on consumer goods.

To make matters worse, the United States had imposed high tariffs on foreign goods coming into the country. These tariffs were meant to protect the U.S. domestic market by making foreign items more expensive. However, this protectionism had harmful effects, as other countries imposed their own tariffs in response to the United States’ actions. Tariffs caused a slowdown in world trade as opportunities for export shrank.

Another factor that contributed to the Depression was Germany’s inability to meet its financial obligations under the 1919 peace agreement. After World War I, Germany’s economy was in ruins. The enormous reparations—payments it was obligated to make to Great Britain and France to compensate for war damages—stunted its ability to recover even more. At the same time, France and Great Britain counted on German reparations to pay back their own war debts owed to the United States. Britain and France also borrowed from the United States after the war, and the United States was demanding repayment of these loans as well.

### Canada and the Depression

The Depression illustrated a major weakness in the Canadian economy: its dependency on the export of primary resources. Two exports in particular—wheat from the prairie provinces, and newsprint from British Columbia, Ontario, and Quebec—made Canada extremely vulnerable to changes in world markets. Canada supplied 40 per cent of the world demand for wheat and 65 per cent of the demand for newsprint.

As international markets reduced their demand for these products, people in Canada’s wheat and paper industries lost their jobs. Without jobs, they could no longer afford to buy such items as cars, radios, or telephones. Without customers, the people who worked in the factories producing these goods also lost their jobs. Within a year, millions of Canadians were out of work.

Canada’s economy was hit particularly hard because of its close ties to the U.S. economy. The
United States had become Canada’s biggest trading partner and largest investor. Consequently, when the U.S. economy “crashed,” Canada’s economy was bound to feel the effects.

Desperate Years

While some wealthy and middle-class Canadians with secure jobs noticed little change in their lifestyle, many people working in factories lost their jobs. One by one, factories and businesses closed their doors. People were evicted from their homes because they couldn’t afford to pay rent. The loss of a job also meant the loss of respect, as this one man explained in an interview years later:

I never so much as stole a dime, a loaf of bread, a gallon of gas, but in those days I was treated like a criminal. By the twist in some men’s minds, men in high places, it became a criminal act just to be poor, and this percolated down through the whole structure until it reached the town cop or railway “bull” and if you were without a job, on the roads, wandering, you automatically became a criminal. It was the temper of the times.

Thousands existed on “pogey”—government relief payments given to those who had no alternative source of income. The government did not make getting relief easy. People had to wait in line for hours and then publicly declare their financial failure. They also had to swear that they did not own anything of value and prove that they were being evicted from their home. If the applicants met these requirements, they received vouchers that could be used to buy food. The vouchers were never enough to cover expenses, and obtaining them was always a humiliating experience.

Private charities also helped those who were desperate, providing used clothing and meals. Soup kitchens were set up to help the hungry and homeless. But for some people, the economic hardships were too much to bear. One Winnipeg man returned home to discover that his wife, who had been living on relief, had drowned their son, strangled their daughter, and poisoned herself. The note she left said, “I owe the drugstore forty-four cents. Farewell.”


Thinking critically Do you think the men in this photograph are accustomed to this situation? How would you describe this scene?
As economic growth drained away, the Depression deepened. By the winter of 1933, more than one-quarter of Canada’s workforce was unemployed. The country was filled with young, jobless, homeless men drifting from one place to another, looking for work that was never there. Penniless, they travelled across the country by “hopping” freight trains. Some men even rode on the roof or clung to the rods underneath the train.

After “riding the rods,” the men would stay a day or two in the many shanty towns that sprung up in and around cities. These sprawling shanty towns were often referred to as “jungles.” Sydney Hutcheson, a young unemployed man in the summer of 1932, recalls what life was like during these years:

...I made Kamloops my headquarters as there were hundreds of men in the jungles on the north side of the Thompson River right across from town.... I made three round trips across Canada that summer by boxcar.... I carried my packsack with a change of clothes, razor, a five pound pail and a collapsible frying pan that a man made for me in the jungles in Kamloops in exchange for a pair of socks. I also had a little food with me at all times such as bacon ends, flour, salt, baking powder and anything else I could get my hands on.


Drought on the Prairies

The Depression affected the entire country, but conditions in the prairie provinces were particularly severe. The collapse of the wheat market had left families struggling to survive. At the same time, the Prairies were hit by a disastrous drought that started in 1928 and lasted almost eight years. In 1930, the winds began; by mid-spring of 1931, there were almost constant dust storms. Millions of hectares of fertile topsoil blew away. Dust sifted in everywhere. It piled in little drifts on window sills, and got into cupboards and closets. In a bad windstorm, people could not see the other side of the street. The semi-arid area in southern Alberta and Saskatchewan, known as Palliser’s Triangle, was especially badly hit.

As if this were not enough, a plague of grasshoppers descended on the Prairies. They stalled trains and buses, clogged car radiators, and almost choked a dental patient to death while he had his mouth open.

In 1935, the federal government passed the Prairie Farm Rehabilitation Administration Act, which helped farmers build irrigation systems and reservoirs. But by this time, drought and poverty had forced many families to leave their farms and move elsewhere.
ACTIVITIES

1. a) What factors contributed to the Depression?
   b) Show how a reduction in consumer spending can result in a slowdown in the economy.

2. Why was the Depression so severe in Canada? What part of the country was hardest hit? Why?

3. Reread James Gray’s description of the 1930s. Write a first-person account of the summer of 1936 on the Prairies.

The Disadvantaged

Canadians who had difficulty earning a decent wage when times were good suffered even more during the Depression. For women, there were few jobs other than domestic work, which paid just a few dollars a week. Some critics believed working women actually contributed to the Depression. In an article in Chatelaine magazine, one man argued that the Depression had two causes:

...overproduction and the employment of women. Starting some Monday morning, every woman gainfully employed shall stay home and permit her nearest male relative to take over her job and her pay.

Aboriginal families on relief got only five dollars a month. They were expected to “live off the land,” even though conditions on the reserves were so poor that they had been unable to do so for decades. In Vancouver, the Chinese population suffered greatly and by 1932, many were starving. One author writes:

Figure 4-4  Windstorms like this one turned the Prairies into a “dust bowl” during the Depression years. Overcultivation of fields and poor land-use practices prior to the 1930s contributed to the erosion of the soil.

Using evidence  What does this photograph tell you about life on the Prairies in the 1930s?
Statistics are a primary source of evidence that historians rely upon to provide a picture of the past. Analysing statistics can help us understand the terrible hardships people suffered during the Depression. Analysis allows us to compare data and see how situations changed over a certain period of time, or from place to place. Statistics can tell us how many Canadians were jobless in different years, how much income was reduced over time, or how different parts of the country were affected by the Depression.

Examine the four sets of statistics below to get a better understanding of Canada in those years. Then, answer the questions that follow.

**Source 1**

**Annual Unemployment Rate, Canada, 1928–1939**

<table>
<thead>
<tr>
<th>Year</th>
<th>Per Cent</th>
<th>Year</th>
<th>Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1928</td>
<td>2.6</td>
<td>1934</td>
<td>20.6</td>
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<tr>
<td>1929</td>
<td>4.2</td>
<td>1935</td>
<td>19.1</td>
</tr>
<tr>
<td>1930</td>
<td>12.9</td>
<td>1936</td>
<td>16.7</td>
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<tr>
<td>1931</td>
<td>17.4</td>
<td>1937</td>
<td>12.5</td>
</tr>
<tr>
<td>1932</td>
<td>26.0</td>
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</tr>
<tr>
<td>1933</td>
<td>26.6</td>
<td>1939</td>
<td>14.1</td>
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</tbody>
</table>


**Source 2**

**Total Relief Expenditures, 1930–1937**

<table>
<thead>
<tr>
<th>Year</th>
<th>Relief ($ millions)</th>
<th>Percentage National Income</th>
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<tbody>
<tr>
<td>1930</td>
<td>18.4</td>
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<tr>
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<td>96.5</td>
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<td>8.4</td>
</tr>
<tr>
<td>1936</td>
<td>160.3</td>
<td>7.6</td>
</tr>
<tr>
<td>1937</td>
<td>165.1</td>
<td>7.3</td>
</tr>
</tbody>
</table>


By [1932] destitute Chinese men, most of them elderly, were begging in the street.... The first ... Chinese deaths from starvation finally forced the provincial government to show some concern. It funded the Anglican Church Mission’s soup kitchen..., but it expected a Chinese to be fed at half of what it cost to feed a white man on relief. Some destitute Chinese said they’d rather starve than accept relief.


Immigrants were viewed with hostility when they competed for scarce jobs. Jews in particular were targeted, and they suffered from anti-Semitism—prejudice specifically against Jews. Many professions were closed to them, and employers often posted signs forbidding them to apply. In cities, many clubs and organizations forbade Jewish membership. Almost 10 000 immigrants were deported from Canada in the first half of the Depression. In 1931, the government put a complete stop to immigration.
Source 3
Decline in Provincial per Capita Incomes, from 1928–1929 to 1932

<table>
<thead>
<tr>
<th>1928–29 Average</th>
<th>1932</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ per Capita</td>
<td>$ per Capita</td>
</tr>
<tr>
<td>Canada</td>
<td>471</td>
<td>247</td>
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<tr>
<td>Saskatchewan</td>
<td>478</td>
<td>135</td>
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<tr>
<td>Alberta</td>
<td>548</td>
<td>212</td>
</tr>
<tr>
<td>Manitoba</td>
<td>466</td>
<td>240</td>
</tr>
<tr>
<td>British Columbia</td>
<td>594</td>
<td>314</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>278</td>
<td>154</td>
</tr>
<tr>
<td>Ontario</td>
<td>549</td>
<td>310</td>
</tr>
<tr>
<td>Quebec</td>
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<td>220</td>
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<td>New Brunswick</td>
<td>292</td>
<td>180</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>322</td>
<td>207</td>
</tr>
</tbody>
</table>


Source 4
Canadian Wheat Price per Bushel, 1925–1937

<table>
<thead>
<tr>
<th>Year</th>
<th>Price</th>
<th>Year</th>
<th>Price</th>
</tr>
</thead>
<tbody>
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<td>1925</td>
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<td>1926</td>
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<td>1934</td>
<td>$0.61</td>
</tr>
<tr>
<td>1928</td>
<td>$0.80</td>
<td>1935</td>
<td>$0.61</td>
</tr>
<tr>
<td>1929</td>
<td>$1.05</td>
<td>1936</td>
<td>$0.94</td>
</tr>
<tr>
<td>1930</td>
<td>$0.49</td>
<td>1937</td>
<td>$1.02</td>
</tr>
<tr>
<td>1931</td>
<td>$0.38</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Applying the Skill
1. **a)** Which years had unemployment rates of over 15 per cent?
2. **b)** Which three years had the highest expenditure on relief?
4. Use the tables to help you determine the two worst years of the Depression. List and explain the evidence you used in reaching your decision.
5. Which province do you consider was hardest hit by the Depression? Explain.

Responding to the Depression

Prime Minister Mackenzie King was totally unprepared to deal with a crisis on the scale of the Depression. He believed the situation was temporary and that, in time, the economy would recover. When desperate Canadians turned to the federal government for financial help, King told them this was the responsibility of municipal and provincial governments. The financial strain of the Depression, however, had bankrupted many municipalities. When asked by the Conservative opposition why some provincial governments were not being helped by the federal government, King said he wouldn’t contribute “a five-cent piece” to a Tory provincial government.

King never lived down this impulsive remark. He failed to understand that unemployment was a major issue for Canadian voters. King’s attitude cost him the election of 1930. He lost to R.B. Bennett, leader of the Conservatives.
Bennett’s Response

Prime Minister Bennett was no more in favour of government relief than Mackenzie King had been. He once told a group of students that “one of the greatest assets a man can have on entering life’s struggle is poverty.” Nevertheless, his government gave the provinces $20 million for work-creation programs. In spite of this spending, the economy did not improve.

Bennett had pledged to “use tariffs to blast a way” into world markets and out of the Depression. Bennett’s “blast” was to raise tariffs by 50 per cent to protect Canadian industries. This enormous increase in tariffs did provide protection for some Canadian businesses, but in the long run, it did more harm than good, as other nations, in turn, erected trade barriers against Canada.

As the situation in Canada grew worse, Prime Minister Bennett became a target for people’s anger and frustration. A deserted prairie farm was called a “Bennett barnyard”; a newspaper was a “Bennett blanket.” Roasted wheat was “Bennett coffee,” and “eggs Bennett” referred to boiled chestnuts.

The growing number of jobless, homeless men drifting across the country frightened many middle-class Canadians. Prime Minister Bennett also feared these men would come under the influence of the Communist Party. In 1931, the government banned the Communist Party and arrested several of its leaders, including Tim Buck, the party’s general secretary.

The federal government also decided to create work camps for unemployed, single men. In British Columbia, the provincial government had already established work camps, and these were absorbed into the federal ones.

Working for Twenty Cents a Day

Work camps were usually located deep in the woods, so the men were completely isolated. Men

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**Interpreting a cartoon**

What is this cartoon saying about Canada’s protective tariffs? How did tariffs contribute to the stockpiling of goods? To the slowdown in world trade?
worked on projects such as building roads, clearing land, and digging drainage ditches. They were paid twenty cents a day and given room and board. The food was terrible, and the bunks were often bug-infested. Over 170,000 men spent some time in these camps. Red Walsh was one of those men. He described the conditions of the camp this way:

We lived in a bunkhouse. So many men to a bunkhouse. Tar-paper shacks. Hard-board beds without a mattress. No sheets, just blankets. And the meals were very poor. The food itself we were eating could not be sold over the counter in a store.... There was nothing to do. You'd work your eight hours a day every day. There was nothing else. No recreation. No sports. Nothing like that.


The On-to-Ottawa Trek

In 1935, over a thousand men left the camps in the interior of British Columbia in protest against camp conditions. They congregated in Vancouver. Under the leadership of their union, the Relief Camp Workers Union, the men decided to take their complaints to Ottawa. Thus began a protest that became known as the On-to-Ottawa Trek.

Crowding into and on top of freight cars, the trekkers rode through the Prairies, picking up more and more supporters along the way. When the protesters reached Regina, the RCMP confined them in a local stadium, allowing only the leaders to proceed to Ottawa.

The union leaders who met with Prime Minister Bennett had great hopes of being heard, but Bennett made his position clear immediately. He attacked the leaders as radicals and troublemakers. When he called one leader, Slim Evans, a “criminal and a thief,” Evans shouted back, “And you’re a liar, Bennett, and what is more, you’re not fit to run ... a great country like Canada.” The delegation was hustled out of the prime minister’s office at once.

Back in Regina, the RCMP were ordered to clear all the trekkers from the stadium. The trekkers resisted, battling the RCMP and the local police for two hours. One man was killed, many were injured, and 130 men were arrested.

Write three questions you could ask to find out more about the scene shown here.
How Involved Should the Government Be in the Economy During a Depression?

Before the Depression, North American governments kept their involvement in the economy to a minimum. This policy was known as *laissez-faire*. During the 1930s, however, governments were overwhelmed by the economic crisis of the Depression. They came under increasing pressure by the public to create work programs for the unemployed as well as to provide money to help those who were unable to help themselves: the poor, the sick, and the elderly.

John Maynard Keynes was a leading British economist who believed that, during a depression, the government needed to “jump start” the economy by spending money on programs that would put people back to work. Once working, people would spend money on consumer goods, which would increase the demand for these goods. Increased demand would mean people would be hired to produce goods, thus creating more jobs, more spending, and so on. Relief payments to the poor and destitute would also be beneficial, as this money would work its way back into the economy.

The U.S. president, Franklin Roosevelt, supported Keynes’s theory. After he took office in 1933, Roosevelt introduced a “New Deal” that created numerous public work programs for the unemployed and for farmers. His most drastic action was the introduction of the Social Security Act. This act provided several social assistance programs, such as old age pensions for workers sixty-five years of age and older, unemployment insurance, and financial assistance for dependent mothers and children.

Under the New Deal, the U.S. federal government spent billions of dollars to get the economy working again. Roosevelt's easy-going manner appealed to voters, and in a series of radio talks known as “fireside chats,” he built up their confidence in the U.S. economy. The New Deal didn’t pull the United States out of the Depression. It did, however, help millions to survive, and it gave hope for the future in a time of national despair.

Not everyone agreed with Roosevelt’s actions. The Republican Party, for example, criticized Roosevelt’s New Deal:

The New Deal Administration … has been guilty of frightful waste and extravagance, using public funds for partisan political purposes…. It has created a vast multitude of new offices, filled them with its favorites, set up a centralized bureaucracy, and sent out swarms of inspectors to harass our people. It has bred fear and hesitation in commerce and industry, thus discouraging new enterprises, preventing employment and prolonging the Depression….


To these critics, the New Deal meant a bigger and more intrusive government, higher taxes, and unnecessary restrictions on business activities. Most significant, perhaps, was the criticism that the New Deal was a waste of taxpayers’ money and that the debt would be left to future generations to pay down.

Prime Minister Mackenzie King did not support increased government spending during the Depression, believing that, in time, the economy would improve on its own. King also felt that spending money on social programs during a depression did not make economic sense, that it was better to wait until the economy was strong before introducing these expensive programs. As he said in a radio interview in 1935:

A house is not built from the top down. It is constructed from the ground up. The foundation must be well and truly laid, or the whole edifice will crumble. To seek to erect an ambitious program of social services upon a stationary or diminishing national income is like building a house upon the sands.

Prime Minister Bennett, as well, did not support Keynes’s theory of government spending during a depression. Bennett was convinced that “…government is not here to subsidize idleness.”

In a series of radio addresses leading up to the 1935 election campaign, however, Bennett surprised listeners, and his Cabinet colleagues, by coming up with his own version of a New Deal:

…In my mind, reform means Government intervention. It means Government control and regulation. It means an end of laissez-faire.

* * *

In what way and to what extent must the government intervene? That is a difficult question. All I can tell you is that we will go just as far as necessary to reform the system and to make it effectively work again.


Bennett promised Canadians a fairer tax system, unemployment insurance, workplace reforms, revised old age pensions, and support for farmers. Many voters regarded Bennett’s change in policy as a desperate attempt to win more votes and not as a shift in his view of the role of government in the economy.

Since the Depression, the role of the government in Canada’s economy has been an important debate. Some Canadians believe that, even if the country is not experiencing a depression, it is the government’s duty to provide basic services such as education, health, unemployment benefits, and other kinds of social assistance to those who need it. These people believe in a welfare state, where the government should actively look after the well-being of its citizens. Other Canadians support a competitive state, where the role of government is to create an atmosphere of healthy competition for businesses by cutting spending on social programs and reducing taxes. Most Canadians believe in a mixed economy where the role of government is to provide a certain level of social services, yet not be overly intrusive in planning and running the economy.

**Analyzing the Issue**

1. Draw a flow chart to illustrate Keynes’s theory of how government spending could lift a country out of a depression.

2. In a two-column organizer, summarize the arguments for and against government intervention in the economy:
   a) in a period of economic slowdown
   b) in a period of economic growth.

3. How did Roosevelt’s New Deal reflect Keynes’s theories? Bennett’s “new deal”?

4. What did Bennett mean by “the government is not here to subsidize idleness”?

5. Canadian governments spent the 1990s trying to reduce government spending and cut national and provincial debts. Research the view of the major political parties on the issue of government spending. Decide which party you might be inclined to support on this issue, and list your reasons for doing so. Share your findings with the class.
Trouble in Vancouver

One of the last protests by the unemployed during the Depression was in Vancouver. When the federal government closed relief camps in 1937 and the provincial government reduced relief payments, many men were left destitute. In protest against the lack of government support, these men would conduct “sit-ins” at various buildings until the government responded to their complaints. In April, 1600 protesters occupied the Vancouver Art Gallery, the main post office, and the Georgia Hotel. Most of the protesters were convinced to end their sit-in without incident. At the post office, however, the men refused to leave; they were eventually evicted with tear gas. For the next two days there were battles between police and the “sitdowners,” causing much damage to storefronts in the area.

ACTIVITIES

1. What seemed to be the government’s attitude towards those people who had lost their jobs? Why do you think this was the case? Do you think this attitude exists today towards the unemployed?

2. What did people have to do to qualify for “pogey”? Why do you think people were given vouchers instead of cash?

3. Why did Mackenzie King fail to win the election in 1930? Write a press release from the prime minister’s office explaining why Prime Minister King is not in favour of relief payments. Include initiatives his government has taken to fight employment.

4. Write a paragraph describing conditions in Vancouver’s Chinese district during the Depression. Explain why conditions were so harsh. Include information you have learned from earlier chapters.

Politics of Protest

As Ottawa struggled to find ways of coping with the Depression, some Canadians looked to alternative parties for solutions. One party formed in the West in 1932 was the Cooperative Commonwealth Federation (CCF). It appealed to a wide variety of Canadians who were dissatisfied with the government’s response to the Depression. They included farmers, labourers, socialists, intellectuals, and discontented Liberals. Their leader was J.S. Woodsworth.

The CCF was a socialist party. In its platform, the Regina Manifesto, the party stated its support for public ownership of key industries. It also supported social programs to assist people in need of money: the elderly, the unemployed, the homeless, the sick, and other citizens unable to support themselves. Woodsworth also urged the government to spend money on public works in order to create employment. The CCF did not win many seats in the 1930s, but it did provide a clear alternative to the policies of the mainstream
parties. The CCF was the forerunner of the New Democratic Party.

In the 1935 election in Alberta, the Social Credit Party, led by William Aberhart, won a landslide victory. “Bible Bill” Aberhart was a charismatic preacher and high school teacher in Calgary. He publicized the social credit theory in his weekly radio program, “Voices of the Prairies.” Social credit was based on the belief that capitalism was a wasteful economic system. Under capitalism, banks hoarded money, preventing customers from buying the abundant goods that capitalism produced. Aberhart felt that the government should release money into the economy so that people could spend it. The theory of social credit appealed to many people from Alberta because the Depression had devastated their economy and they resented the power and control of the banks in Central Canada.

Aberhart promised each citizen a “basic dividend” of twenty-five dollars a month to buy necessities. The federal government challenged the right of a province to issue its own currency, and social credit was disallowed by the Supreme Court. Despite this setback, the popularity of the Social Credit Party never dimmed. It remained in power in Alberta until 1971 under Aberhart’s successors, Ernest Manning and Harry Strom.

**Provincial Solutions**

During the Depression, many voters expressed their dissatisfaction with government inaction by voting out ruling provincial parties. In Ontario, the provincial Liberals came to power in 1934, the first time in twenty-nine years. The Liberal leader was a populist farmer, Mitch Hepburn, who won wide support by championing the causes of “the little man.” He railed against big business and was fond of flamboyant gestures, such as the sale of the provincial fleet of automobiles. Hepburn was at heart a conservative, however, and did little for the unemployed. He was also involved in the ruthless suppression of strikes.

In Quebec, Maurice Duplessis, a former Conservative, brought the newly formed Union Nationale party to power in 1936. The Union Nationale was a nationalistic French-Canadian...
party that relied upon the support of the Roman Catholic Church and rural voters. Duplessis blamed many of Quebec’s social and economic problems on the English minority in Quebec, which controlled the province’s economy. During his first term, however, Duplessis’s promises of reform evaporated, and he did little to improve economic and social conditions in Quebec. With one interruption, he remained premier until 1959.

In British Columbia, Premier Dufferin Pattullo, a Liberal, was elected in 1933. Pattullo, too, was a strong believer in greater provincial spending power. He promised voters a “Little New Deal,” based on the New Deal in the United States. He introduced reforms to shorten the work day, increase the minimum wage, and increase relief payments by 20 per cent. Public works projects were launched, most notably the Fraser River bridge at New Westminster and a new city hall for Vancouver. Pattullo’s projects were short lived, however, as the federal government challenged his authority to introduce programs that were considered to be in the federal domain.

**A Change in Government**

By 1935, voters were fed up with Bennett’s inability to deal with the crisis of the Depression. In the federal election, they returned Mackenzie King to power. Five years in opposition did little to change King’s stand on government intervention in...
William Lyon Mackenzie King was one of the most dominant political leaders in Canadian history. He was prime minister of Canada for twenty-two years, from 1921 to 1930, save for a few months in 1926, and from 1935 to 1948. King was a highly educated man who had studied political economy at Harvard University.

In his day, King was notorious for dull and ambiguous speeches that blurred the issues and seemed to promise everything to everyone. These speeches infuriated many listeners. In fact, King was a skilled negotiator who wanted desperately to keep Canada united—French and English, the different regions, social classes—and his vague manner was a deliberate technique to try to please everyone. King was Canada's prime minister during World War II; his friendships with British Prime Minister Winston Churchill and U.S. President Franklin Roosevelt helped strengthen the relationship among the Allies.

After King's death, it was discovered that this apparently colourless man had led a secret life. He had kept a detailed personal diary from his student days in the 1890s to his death in 1950. His diaries revealed that King was a believer in spiritualism. He held seances in which he spoke to the dead, especially to his mother and his dog Pat.

Richard Bedford Bennett, Canada's prime minister during the darkest days of the Depression, was a millionaire. Like King, he too was a bachelor; he made his home in Ottawa in a suite occupying a whole floor of the luxurious Château Laurier Hotel. It was small wonder that poverty-stricken Canadians felt little affection for him.

Bennett was hated by many for his failure to find a solution to the bad times. After his death, however, proof of his compassion appeared. Thousands of desperate Canadians had written to the prime minister asking for help, with letters like the following:

Dear Sir, — I am a girl thirteen years old and I have to go to school every day its very cold now already and I haven’t got a coat to put on. My parents can’t afford to buy me anything for this winter. I have to walk to school four and a half miles every morning and night and I’m awfully cold every day. Would you be so kind to send me enough money so I could get one.

Secretly, Bennett sent many of these people five dollars of his own money—a significant sum in those days. His generosity was uncovered in his private papers only after he died.

Questions
1. Do you think King’s interest in spiritualism affected his ability to function as prime minister? Is it necessary to know such private details to evaluate his role in Canadian history?
2. How was Bennett perceived by Canadians during the Depression? Do you think this image of him was justified? Explain your answer.
the economy. His views clashed with the findings of a commission he had set up to examine the state of unemployment in Canada in 1936. The National Employment Commission found that unemployment was a national problem, and it recommended the federal government spend millions of dollars on job creation and training programs. King ended up spending only a fraction of what the commission had recommended on job-creation schemes.

Increased Tension in Federal–Provincial Relations

King created another Royal Commission in 1937. The Rowell–Sirois Commission, named after its two chairpersons, was to examine the thorny issue of federal–provincial relations.

The unemployment crisis of the Depression had caused a great deal of tension between the federal and provincial governments. There was disagreement over which government had the right to collect tax money and which government should pay for social and employment assistance. The Rowell–Sirois Commission recommended that the federal government have more control over taxation. The federal government would then give the poorer provinces grants or equalization payments to ensure that every province was able to offer its citizens the same level of services. The Commission also recommended that the federal government bear the responsibility of unemployment insurance and other social benefits such as pensions.

The wealthier provinces did not like the idea of equalization payments because they did not want their tax dollars going to other provinces. The provinces also felt that many of the Commission’s recommendations would mean a loss of provincial power. By the time the Commission made its report, the economy had started to turn around. More people were finding jobs, and there was a mood of cautious optimism throughout the country. Canada’s involvement in World War II meant most of the Commission’s recommendations were either pushed aside indefinitely or adopted many years later.

Distractions from Despair

Through the Depression, there was one aspect of life that changed little: entertainment. Movies, magazines, and the radio remained enormously popular. They provided romance, adventure, and glamour to millions of people whose lives had become a series of hardships.

Radio was particularly popular during the Depression. Initially, Canadian audiences preferred syndicated U.S. shows, such as a western entitled “The Lone Ranger” and big-band entertainment programs, because they were more sophisticated than Canadian programs at that time. In an effort to win over Canadian listeners, the federal government created a public radio service, which became the Canadian Broadcasting Corporation (CBC) in 1936. The CBC ran Canadian-produced music and entertainment programs in French and English. French programming in Quebec was very popular, but many English-speaking listeners still tuned in to popular U.S. shows.

In 1934, the birth of the Dionne quintuplets brought a welcome distraction from the grim realities of the Depression. Born in Corbeil, northern Ontario, they quickly became an international sensation. When their poverty-stricken parents were judged incapable of looking after the “miracle babies,” the five girls were taken into the care of the Ontario government.

The Dionne girls were put on display to the public, and over three million people visited the

**ACTIVITIES**

1. List the political parties that were started during the Depression. State who were the parties’ supporters; their leaders; and their policies.

2. How did federal–provincial relations make it difficult for provincial governments to deal with the problems of the Depression? Give examples from British Columbia and Alberta.

3. What were the main recommendations of the Rowell–Sirois Commission? Why did the wealthier provinces dislike these recommendations?
specially built hospital where they were raised. Visitors could watch the daily lives of the quints behind a one-way screen. The Ontario government earned millions of dollars from this tourist attraction. Hollywood fictionalized the Dionnes’ story in three different movies, and hundreds of businesses used images of the quints to endorse their products. Decades later, it became clear that the quints had been denied normal lives and had seen little of the money the government had supposedly set aside for them.

The conservationist Grey Owl was another Canadian figure who achieved popularity and world fame. When he died in Saskatchewan in 1938, however, the secret of his life became known: the famous “Apache” naturalist was actually an Englishman named Archie Belaney. He had moved to Canada at age seventeen in 1906 and took on the identity of a Canadian Aboriginal. He wore buckskin clothing, darkened his skin, and married an Iroquois woman, one of a number of women he married in his lifetime.

Grey Owl devoted the latter part of his life to the preservation of the northern Canadian forests and the disappearing beaver. His writings and speaking tours promoting conservation made him

Figure 4-13 The establishment of a public radio service provided an opportunity for Canadian talent to develop. One particularly popular program was “The Happy Gang,” a variety show that was broadcast from coast to coast from 1937 to 1959.

Figure 4-14 Grey Owl credited his wife, Anahareo, with convincing him to stop trapping and work for the preservation of the beaver and the wilderness that was its habitat.

the most famous Canadian of his day. His books, such as The Adventures of Sajo and Her Beaver People, became best-sellers. He made movies, and dined with prime ministers and royalty.
The Rise of Dictatorships

As Canada and the United States struggled to cope with economic hardship during the Depression, other countries were experiencing enormous political and social upheaval. The economies of most European countries never recovered from World War I, and the Depression made matters even worse. Unemployment was high, food was often scarce, and lawlessness became a major problem. People became divided over how these problems should be solved. Some believed communism was the only solution to the economic and social suffering. Others abhorred the idea of public ownership, believing a strong military was needed to restore law and order. The result was the rise of several leaders who, once in power, proved to be powerful dictators who suppressed all forms of opposition and dissension.

In the Soviet Union, Josef Stalin took over as leader of the Communist Party after the death of Lenin, the leader of the 1917 Revolution. Stalin, “the man of steel,” was a ruthless and cruel leader whose agricultural and economic policies caused the death of millions of Soviet workers. Under his leadership, the Soviet Union became a totalitarian state, with every aspect of people’s lives controlled by the Communist Party.

In Italy, Benito Mussolini, or Il Duce (“the leader”) came to power in 1922. Mussolini created a fascist government. Fascist governments are opposed to democracy, are extremely nationalistic, and rely on military and police power to maintain absolute control. They control all media, and use propaganda to promote the ideals of the state. Soon, there were fascist parties based on Mussolini’s system in many countries. The most powerful fascist party, however, was the German National Socialist party, or Nazi Party, under the leadership of Adolf Hitler.

Germany After the War

Since the end of World War I, Germany had grown increasingly unhappy with the terms of the Treaty of Versailles. It bitterly resented the “war guilt” clause that required it to make reparations to other countries. The German economy had been ruined by the war; in order to make reparations, the government had begun printing large amounts of money in the early 1920s. As a result, the value of the German currency declined and inflation spiralled. In other words, German money became worth less and less, while the prices of basic goods increased rapidly.

To control this inflation, Britain, France, and the United States agreed to give better terms for Germany’s reparation payments. Germany made a modest recovery. When world stock markets collapsed in 1929, however, the weakened German economy was affected more than most countries.
Hitler Comes to Power

Since 1923, Hitler and his followers had been gathering support by criticizing the weak German government and the humiliating terms of the Treaty of Versailles. It was the Depression, however, that provided the conditions for his rise to power. Hitler and his Nazi Party claimed they had the solutions to bring Germany out of the Depression and make it a great nation again. In January 1933, Hitler became Chancellor of Germany, and by March, his party had won control of the German parliament. Once in power, the Nazi government defied the terms of the Treaty of Versailles by stopping all reparation payments. It also started a massive expansion of the armed forces, an action that violated the terms of the peace treaty. Hitler subsidized farmers to help rebuild their farms, and poured money into public projects such as the building of the Autobahn, a network of expressways running across the country. To the delight of the German people, unemployment went down and the economy started to improve.

At the same time, the Nazis abolished all other political parties in the country. Trade unions were banned. Hitler became known as der Führer (“the leader”). Like Stalin and Mussolini, Hitler was a ruthless dictator who ruled his country through intimidation and fear. Not all Germans supported him, but no one was free to oppose him or his party without risking severe punishment.

The Nazi Party was deeply racist. Its members believed that the German people were a
“master race” composed of Aryans, a supposedly “pure” race of northern Europeans. Non-Aryans, who included Jews, Roma (Gypsies), and Slavs, were considered to be inferior. People with mental or physical disabilities were despised because they destroyed the image of the “master race.” The Nazis persecuted these groups. Communists and homosexuals were also targeted. For example, the government prohibited these people from teaching or attending schools and universities, holding government office, practising professions, or writing books. The Nazis also encouraged mobs to assault members of these groups and destroy their property.

One of the most notable of these occasions was November 9, 1938, when Nazi mobs attacked Jewish businesses across Germany. Afterwards, sidewalks in many parts of the country were covered with broken glass from windows, giving the attack the name Kristallnacht or “Crystal Night.” The Nazis also set up concentration camps to imprison and isolate non-Aryans from German society. Eventually, they decided to purge their nation altogether of people they considered undesirable in the Holocaust (see Chapter 5).

On the Road to War

In 1931, Japan invaded the Chinese industrial province of Manchuria. The Chinese government appealed to the League of Nations to take punitive action against Japan. The League, established by the Treaty of Versailles, was supposed to help maintain world peace, but it proved a much weaker body than originally intended. It condemned Japan’s action and tried to negotiate, but Japan responded by withdrawing its membership from the League.

In the spring of 1935, Italy attacked Abyssinia (now Ethiopia). Ethiopia was one of the few independent African nations. The Ethiopians, who had never been colonized, fought hard against the Italian invasion and won support around the world. This time the League immediately voted to impose trade sanctions against Italy. Oil, a crucial import for Italy, was not included in the sanctions. Italy had no oil of its own, and had it been unable to import oil, its war machine would have run down very quickly. France and Great Britain were reluctant to punish Italy, however, as they wanted Italy’s support in case of a new war with Germany.

Germany on the Offensive

In 1936, Hitler ordered his troops into the Rhineland, an area along Germany’s western border that was demilitarized by the Treaty of Versailles. Hitler counted on little resistance from world leaders to this occupation, and he believed his actions would go unpunished by the League of Nations. He was right.

That same year, General Francisco Franco and his Falange (fascist) followers led an attack on Spain’s government. The result was a civil war between the elected socialist government and the rebel forces of General Franco. Franco, with military support from Hitler and Mussolini, won the war and became the ruler of Spain. The democratic governments around the world chose not to get involved in the conflict, although socialist supporters from several countries went to Spain to join in the fight against Franco and fascism. Canadian volunteers, called the Mackenzie–Papineau Battalion (the Mac-Paps), numbered over 1200. One of the volunteers was Dr. Norman Bethune, a surgeon and political activist from Ontario.

The Policy of Appeasement

Throughout the 1930s, Western democracies adopted a policy of appeasement in response to Germany’s aggression. Because no one wanted to fight another war, many leaders were willing to make concessions to Hitler to maintain peace. Appeasement, however, simply made Hitler bolder. In March 1938, he took over neighbouring Austria, a German-speaking country. He then demanded the right to take over the Sudetenland, the German-speaking region in western Czechoslovakia. In September 1938, at a conference in Munich, Britain and France agreed to this demand. In turn, Hitler pledged that this would be his last territorial claim.
Figure 4-17  Japan’s aggression by 1934. In 1931, Japanese troops invaded China’s resource-rich province of Manchuria. Japan needed these resources in order to expand its empire. By 1934, the invasion of Manchuria was complete.

**Reading a map**  What resources did Japan acquire after its invasion of Manchuria? How would the invasion of Manchuria assist Japan in its later invasion of China?

Figure 4-18  Route of Italian troops invading Ethiopia, 1935. Mussolini wanted to create his own empire and in 1935 he invaded the country of Ethiopia (Abyssinia).

**Thinking critically**  With the invasion of Ethiopia, what advantage would Italy have should war break out in northern Africa?
Then, in March 1939, Hitler ignored his pledge to Britain and France and took over the rest of Czechoslovakia. Western leaders were beginning to fear that only war would stop Hitler. The final blow came in 1939, when Hitler invaded Poland.

For some months, Hitler had been making warlike speeches against Poland. He wanted to regain an area of Poland that had been taken away from Germany in the peace agreement of 1919. But first, Hitler had a problem to solve. If Germany invaded Poland, it was likely that the Soviet Union would regard Germany's actions as a threat to its own security and declare war on Germany. In August 1939, Hitler stunned the world by concluding a non-aggression pact with Joseph Stalin, leader of the Soviet Union. Both countries pledged not to fight each other if one of them went to war, and they agreed to divide Poland between them. Germany was now free to make its move. On September 1, 1939, German troops invaded Poland, and bitter fighting followed.

Britain and France ordered Germany out of Poland by September 3, 1939. When Germany ignored this deadline, Britain and France declared war on Germany. For the second time in just twenty-five years, the countries of the world were embroiled in a global conflict.
Canada’s Response to Growing Tensions

Throughout the events of the 1930s, Canadians, including Prime Minister Mackenzie King, remained isolationists, uninterested in affairs outside their borders. Besides, many Canadians believed the Treaty of Versailles had been too harsh. Others, remembering the 60,000 Canadians who had died in World War I, adopted a pacifist position. As events escalated in Germany, many Canadians asked why Canadian lives should be risked in another European war when Canada itself was not threatened.

Prime Minister King was anxious to find out for himself what Hitler’s intentions were. In 1937, he went to Germany and visited the German leader. Completely taken in by what he saw, King came away sure that Hitler had no warlike intentions. In his diary he wrote, naively:

[Hitler] smiled very pleasantly and indeed had a sort of appealing and affectionate look in his eyes. My sizing up of the man as I saw and talked with him was that he was the sort who truly loves his fellow man....

While King knew that the Nazis were persecuting Jews and other groups, he saw no need for Canada to become involved or to accept Jewish refugees. In 1938, he wrote in his diary:

We must … seek to keep this part of the Continent free from unrest…. Nothing can be gained by creating an internal problem in an effort to meet an international one.

Canada’s Secretary of State, Pierre Rinfret, had other reasons for rejecting Jewish refugees. In 1939, he told a meeting of his supporters that “despite all sentiments of humanity, so long as Canada has an unemployment problem, there will be no ‘open door’ policy to political refugees here.”

After the Kristallnacht incident, Thomas Crerar, who was now a Liberal cabinet member, made a recommendation that 10,000 Jews be allowed to emigrate to Canada. The Cabinet refused Crerar’s suggestion. Immigration director Fred Blair was against Jews coming to Canada, maintaining that “none is too many.”

Canada’s policy had tragic consequences in 1939 when the ocean liner, the St. Louis, with over 900 Jewish refugees on board, was refused permission to dock when it appeared off the east coast of Canada.
The ship was forced to return to Europe, where many of the passengers later died in concentration camps.

Many Canadians did not share the government’s anti-Semitic views. In 1938, there were 165,000 Jewish people living in Canada, the vast majority of whom were citizens. Rallies were held in many parts of the country in support of a more humane immigration policy. When the St. Louis was turned away, and its passengers sent back to Nazi Germany, newspaper editorials also lashed out at the government:

This country still has the bars up and the refugee who gets into Canada has to pass some mighty stiff obstacles—deliberately placed there by the government.... Immigration bars ... are undesirable.... We are deliberately keeping out of this country [people] and money who would greatly add to our productive revenues. We are cutting off our nose to spite our face.


ACTIVITIES

1. Explain these terms in the context of events described in this chapter: totalitarian state; fascist government; appeasement.
2. What factors contributed to the rise of dictators after World War I?
3. How did the Treaty of Versailles help the rise of the Nazi Party in Germany?
4. a) Why was the League of Nations unable to stop the aggression of Japan and Italy?
   b) How did this failure encourage Hitler?
5. Write a brief summary of Canada’s response to the plight of Jewish refugees prior to World War II.
Develop an Understanding

1. Explain the title of this chapter. Do you consider it appropriate? Why or why not?
2. What were the major weaknesses in the Canadian economy from 1919 to 1939? Does the Canadian economy still suffer from any of these weaknesses? Explain.
3. a. How did the social policies of the federal and provincial governments respond to the crisis of the Depression?
b. What does this response say about the values that were held by the society at the time? Use the personal reminiscences in this chapter to support your answer.
4. Why were Aboriginal people, Asian men, and women in a particularly desperate situation in the 1930s? What might account for the attitude of many Canadians and the government towards Jews in the 1930s?
5. In your view, which political party would each of the following have supported during the Depression? Explain your choice.
   a. owner of small business
   b. single unemployed person
   c. farm wife
   d. hourly paid worker
6. What major events led to World War II?

Explore the Issues

7. In an organizer, compare the responses of the democratic and totalitarian states to the problems of the Depression. Use the information to speculate on why Canada and the United States never resorted to totalitarian governments.
8. Make a timeline showing Germany’s acts of aggression during the 1930s. For each act, state whether you think it was worth going to war over this issue, and give reasons for your view.
9. Imagine you are an adviser to the federal government in the 1930s. Write a report advising the prime minister on steps that he could take to lessen the effects of the Depression. Remember to include
   a. your analysis of the sources of income for the government
   b. your opinions on federal–provincial relations
   c. your opinion of Roosevelt’s New Deal.
10. What lessons do you think we can learn from the handling of the Depression by federal and provincial governments?

Research and Communicate

11. View a film or read a novel set in the Depression, such as *The Grapes of Wrath*. Research the film or novel of your choice. Write a report describing how it was received at the time, and its effectiveness today.
12. With a partner or in a small group, imagine you are the founding members of a new political party. Yours is a party dedicated to solving the economic and social problems of the Depression. On a single page, write your party’s name, a summary of the country’s major problems, and a five- to ten-point declaration of your party’s program. Include a catchy slogan or statement that sums up what your party stands for.
13. Statistics Canada’s Web site at <www.statcan.ca> gives on-line access to Canadian statistics. Visit the site and gather statistics and information on Canadian employment, average incomes, and other data that allow you to judge the standard of living of Canadians today. Compare these data with similar information on the Depression.
14. Some historians maintain that World War II could have been avoided if Britain and France and their allies had stood up to Hitler’s demands earlier than they did. In one sentence, formulate a thesis on this idea, and use it for a class debate.
15. Use the school library or the Internet to find out more about what was happening in Canada in the summer of 1939. What was popular in a) the movies, b) music, c) sports, d) fashions, e) any other aspects of everyday life? How had Canada changed since World War I? Prepare a short report or visual display of your findings.