7

A Changing Society

FOCUS ON

- What social issues were associated with increasing population and technological change after World War II?
- What cultural developments accompanied the emergence of teenagers as a new group in society after World War II?
- What new social services did governments provide after World War II, and what related issues did Canadians face by the end of the century?
- What were the characteristics of the post-war economic boom, and what economic challenges did Canadians face in the latter part of the twentieth century?
- What was the economic relationship between Canada and the United States in this period?

Counterpoints Issue

- Should social services be cut to reduce the national debt?

Expo Walking Woman, 1967 by Michael Snow.

ARTS FOCUS

This sculpture was completed for Expo 67, but the image of the modern woman it presented looked forward in some ways to the 1970s and 1980s, when Canadian women argued for their rights, especially in the world of work.

Expressing ideas Review the roles adopted by women in the years after World War II. How does the image presented in this sculpture differ?

Introduction

After World War II, nearly one million veterans returned to Canada. Not all of them came home alone: one in five Canadian bachelors serving overseas married there. Approximately 48 000 war brides and their children arrived in 1945 and 1946. For many of these women, the vastness of Canada, the loneliness, and the brutal winters came as a shock. Some Canadian servicemen had painted an idealized picture of life in Canada for their new wives. War correspondent Gladys Arnold described meeting a group of French war brides in Europe before they sailed for Canada:

> I was…besieged by war brides wanting to know everything about Canada, and I made some dreadful discoveries. Some soldiers had overblown the charms and facilities in their houses and home towns. One young woman with two children showed me a snapshot of the Moose Jaw Public Library and explained proudly that it was the residence of her husband's parents. Another told me she was going to be living "just outside Regina." It turned out to be Climax, Saskatchewan, and as far as I knew the branch line train service ran there three times a week from May to October.
>
> Source: Gladys Arnold, *One Woman's War: A Canadian Reporter with the Free French* (Toronto: Lorimer & Company, 1987), 220.

The war brides had to adapt to a new country, but throughout Canada life was changing at a rapid pace. A booming economy; thousands of immigrants; new houses in the suburbs; more automobiles, television, and portable radios blaring rock 'n' roll all helped to create a Canada that was different, more materialistic than it had been before the war.

- 1945 War veterans return to Canada.
- 1947 Immigration of displaced persons from Europe begins.
- Oil is discovered at Leduc, Alberta.
- 1949 Newfoundland becomes Canada's tenth province.
- 1952 First CBC TV broadcast is made.
- 1966 Medical Care Act is passed.
- 1968 CRTC created to regulate foreign content on radio and television.
- 1970 Trans-Canada Highway is completed.
- 1971 National Action Committee on the Status of Women is established.
- 1980s–1990s Canadian government wrestles with national debt and deficit.
- Early 1990s Internet becomes generally accessible.
- 1999 Saskatchewan nurses go on strike, protesting government health care cutbacks.
- 2000 Federal government debt is about $576 billion.

Figure 7-1 Most war brides were British, although some came from France and the Netherlands. The Canadian government paid for the one-way passage of these women and their children to Canada.

Coming Home

The veterans returning to Canada were eager to come home but anxious about the future. Would they find jobs? Many had enlisted in the armed forces right out of high school, or had been unemployed during the Depression. To ease their transition back into society, the Canadian government passed special legislation. Veterans who wanted their old jobs back were given them, and the years that they had been away at war were counted as years of service on the job. Veterans and war widows were given hiring preference for government jobs. Those who wished to attend university or trade school received free tuition and living allowances. The Veterans' Land Act was passed, enabling veterans to obtain mortgages at preferential rates.

The New Face of Canada

Going home after the war was not a possibility for the wave of immigrants to post-war Canada. At the end of the war, millions of refugees languished in camps across Europe. The United Nations called these refugees *displaced persons*. They included concentration camp survivors and others uprooted by the war. These people had no homes, possessions, or hope for the future. Canada accepted 165 000 displaced persons, settling them in communities across the country. Speaking no English and unable to practise their former trades or professions, these newcomers often had a hard time in Canada. Nevertheless, refugee children absorbed English quickly at school, and their parents found that a job—any job—opened up new opportunities.

Other families who were exhausted by war, or simply looking for a new life, also found Canada attractive. Many sailed to Halifax or Montreal as new immigrants. Altogether, 2.5 million newcomers arrived in Canada between 1945 and 1967.

Unlike immigrants before World War I, who had settled largely on farms in western Canada, the newcomers now settled mostly in the cities of central Canada. This wave of immigrants changed the face of the country. Their cultures, viewpoints, and hard work enriched Canada in many ways. The older areas of cities, vacated as veterans and their families moved to the suburbs, became home to vibrant new communities.

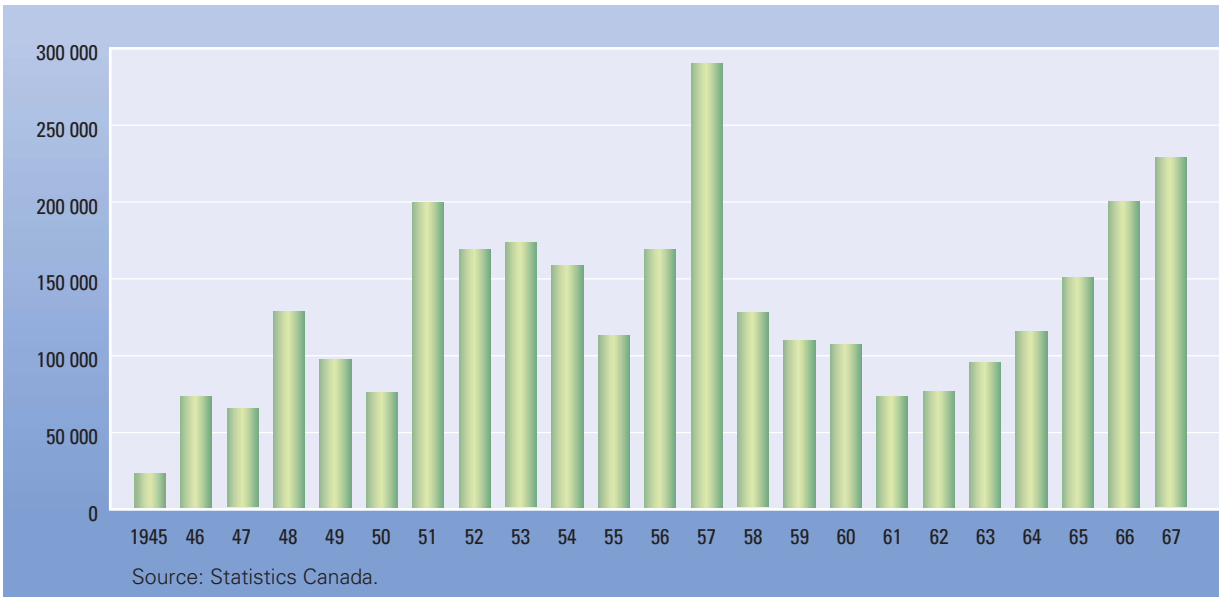

Figure 7-2 Immigrant arrivals in Canada, 1945–1967. The dramatic rise in 1957 was caused by a wave of refugees from Hungary, where Soviet tanks crushed an uprising in 1956.

The Rise of the Suburbs

With the expansion in Canada's population, there was a tremendous demand for housing in the years after the war. To help address this need, developers began building thousands of new homes. Many new housing developments were in the outlying areas of cities, the *suburbs*, where land was cheaper. In time, many subdivisions became "bedroom communities" to which commuters returned at the end of the working day. These communities had their own schools, parks, and places of worship.

Suburban Values

The suburbs were not just a place to live; they brought a new set of values. These values centred on the traditional family, with the stay-at-home mother at its heart. Women, who had made up one-third of the workforce during the war, were let go to create jobs for returning veterans. Popular women's magazines denounced working mothers as the cause of delinquent children. The fashions of the day emphasized traditional femininity: long, full skirts; narrow waists; high heels; and red lips. New gadgets such as electric floor polishers, pop-up toasters, and electric food mixers made house-

Figure 7-3 The post-war boom in housing gave rise to many suburban developments like this one. Cheap land encouraged the building of low-density units on large lots surrounded by manicured lawns; backyard patios; and long, curving side streets with few or no sidewalks.

Using evidence Based on this photograph, suggest two direct effects that suburban living would have had on people's lifestyle.

work seem less like drudgery. The father's role was to be the breadwinner, supporting the family on his paycheque.

Families were larger in the post-war years than they are today. The increase in the birth rate in the post-war period until 1960 became known as the **baby boom**. For a time, Canada's birth rate was the highest in the industrial world, peaking in 1959. Average families had three or four children. In all, 6.7 million children were born in Canada between 1946 and 1961, after which the birth rate began to decline.

Because the "boomer" generation is the largest age group in Canada, its influence has been felt throughout our culture and economy. The sheer numbers of the boom reshaped many institutions. Boy Scouts, Girl Guides, and junior hockey flourished. Schools, too, had to be built at an unprecedented rate. Manufacturers began to make a whole range of new products for the baby boomers.

The Age of the Automobile

In the 1950s, Canadians fell in love with cars and bought 3.5 million of them. For people living in the suburbs, a car was a necessity. While suburban houses of the fifties and sixties were usually plain and functional, cars grew steadily longer and fancier, graced with fins and fancy tail lights.

Automobile culture changed Canada's neighbourhoods. Corner grocery stores shut down as large new supermarkets appeared. The shopping mall, where a bewildering variety of consumer goods could be purchased, became the hub of suburban life. It replaced the front porch, the village green, and the corner store as a gathering place. The opening of a mall was a community event.

The automobile represented all the elements of the post-war era: fascination with technology, progress, security, and personal freedom. However, it also exacted costs. As car makers hurried to install enormous V-8 engines, few thought about gas consumption or atmospheric pollution. Nor did people think much about safety, even though automobile accidents were becoming a leading cause of death. Seat belts were non-existent in the 1950s, and drinking "one for the road" was common in an era when the cocktail party was regarded as chic evening entertainment.

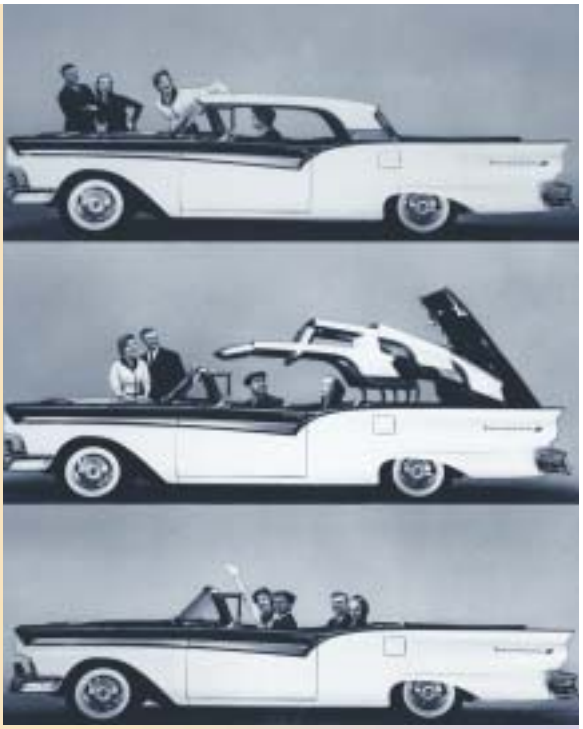

Figure 7-4 Throughout the 1950s, cars grew longer, lower, and wider. Manufacturers unveiled new models every autumn, with improvements such as this easy-to-manage convertible roof.

Using evidence What does this design suggest about the importance of the automobile at the time?

Television and the Consumer Society

By the late 1950s, most Canadians had access to television—although there were only one or two channels, and the programs were in black and white. Television magnified every cultural trend. It created attractive images and an appealing, if artificial, lifestyle. Television encouraged people to buy more products, fostering a **consumer society**. Youngsters soon demanded sweetened cereals, Barbie dolls, Davy Crockett hats, and many other advertised goods. Thousands of new gadgets and

inventions were introduced: ballpoint pens, photocopiers, Polaroid cameras, long-playing records, spray cans, Frisbees, and refrigerator magnets. Shopping became a national pastime.

Teen Culture

Baby boomers spent more time in school than earlier generations. Before the war, the average Canadian child received only eight years of schooling. Only one in ten students finished high school. After the war, Canada's economy flourished. There were no wars or economic hardship to force boomer students out of school. The result was the invention of the *teenager*.

With ample leisure time, and more money to spend from part-time jobs, teenagers had an independence that had not been available to young people before. Businesses began catering to them, and teens adopted their own styles that set them apart from the adult world. Girls wore their hair in poodle cuts, pony tails, or beehives. They dressed in saddle shoes or penny loafers, poodle skirts, crinolines, and cardigans. They wore strapless gowns to their proms. Boys had crew-cut or ducktail hairstyles and dressed in white socks, blue jeans or dress pants, and V-necked sweaters, black leather jackets, or sports coats.

Rock 'n' roll, a musical style developed in the mid-1950s, soon became the favourite of many teenagers. The roots of rock 'n' roll were in African-American music from the southern United States, adapted for other audiences by Elvis Presley and many other musicians. Rock 'n' roll's strong rhythms and sometimes rebellious teen-centred lyrics shocked the older generation. It was banned in many places.

With the new music came new dances. TV's *American Bandstand* and local Canadian teen dance shows popularized dances including the Jive, the Monster Mash, the Watusi, the Mashed Potato, and the Twist. Canada produced its share of international music stars. Paul Anka and, later, Buffy Sainte-Marie, Neil Young, Joni Mitchell, and The Guess Who were among the most famous.

Figure 7-5 Paul Anka's hit song "Diana" is one of the biggest-selling records in history. An Ottawa-born Canadian of Lebanese descent, Anka was only fifteen when "Diana" became a hit in 1956. Anka's other hits included "Lonely Boy" and "Puppy Love."

Canada the Good

While television and popular music were bringing new trends to teenagers, most Canadians were still very conservative. In English Canada, no newspapers were published on Sundays, nor could people go to the movies. No large stores opened on Sundays anywhere. Movies and books—both popular paperbacks and serious literature—were strictly censored. Many towns were "dry," prohibiting the sale of liquor. Women were discouraged from going to taverns alone. It was not until the 1960s, when many baby boomers were in their teens, that such restrictions were relaxed.

Canadians were not so sedate, however, when it came to spectator sports. Hockey was a favourite. The rival Montreal Canadiens and Toronto Maple Leafs dominated the six-team National Hockey League. From 1945 to 1967, the Leafs and Canadiens each won nine Stanley

Figure 7-6 Barbara Ann Scott was a celebrity who brought a sense of pride to Canadians.

Cups. The superstars of all six teams were Canadian. When one of the greatest, Maurice "Rocket" Richard of the Canadiens, was suspended during the 1955 season, a riot erupted at the Montreal Forum. Bottles and rotten eggs were thrown at the NHL president. In the street, store windows and telephone booths were destroyed, and thirty-seven people were injured.

Canada's "fairy-tale princess" of the post-war period was Barbara Ann Scott, who won the world figure skating championship in 1947 and the Olympic gold medal in 1948. In the mid-1950s, teenager Marilyn Bell became an instant legend when she became the first person to swim across Lake Ontario and the youngest person to conquer the English Channel. In 1957, she swam the Strait of Juan de Fuca, from Port Angeles, Washington, to Victoria, British Columbia.

Protecting Canadian Culture

While many sports heroes were Canadian, other figures who had an influence were not. Hollywood stars enthralled Canadians, who followed the actors on screen and in the U.S. movie magazines that flooded the newsstands.

As early as 1949, the federal government established the Massey Commission to investigate the state of Canadian culture. Reporting in 1951, the Commission suggested that Canadian culture needed to be protected from U.S. influences. It recommended that the National Film Board, established in 1939, be strengthened and that the federal government become involved in funding universities and the arts. As a result, the Canada Council was established in 1957 to award tax-funded grants to writers, artists, and theatres. New institutions such as the Royal Winnipeg Ballet and the National Ballet were soon winning international acclaim and making Canadians proud. Canadian literature, which was not well known before the war, could now boast authors such as Robertson Davies, Margaret Laurence, and W.O. Mitchell.

The Massey Commission also worried about television, which had come to the United States by 1951, but had not yet spread to Canada. In the United States, television was designed for entertainment. It was a commercial enterprise, operated to create profit for station owners and advertisers. The Commission recommended that TV in Canada be used instead for national com-

Figure 7-7 U.S. shows on television promoted the fairy tale of the perfect, traditional, and wholesome family. People who were not white and middle-class could find little to reflect their world on television.

Identifying viewpoint What values are evident in this still from *Father Knows Best*?

munication and for cultural education in drama and music. The CBC, which had already created a national radio network, was put in charge of the development of television. It opened the first two stations in Toronto and Montreal in 1952. Two years later, four more cities were included. By 1960, 90 per cent of Canadian homes had television—more than had telephones.

It soon became clear, however, that the concerns of the Massey Commission were well-founded. U.S. programs topped the list of Canadian television favourites. Kids tuned in to *Howdy Doody, Roy Rogers, Lassie*, and the *Mickey Mouse Club*. Families chuckled at *I Love Lucy* and first saw Elvis and the Beatles on the Sunday evening *Ed Sullivan Show*. As the years passed, Canadian children grew up knowing more about U.S. culture and values than any generation before them. In 1968, the federal government established the Canadian Radio-television and Telecommunications Commission (CRTC). This agency would regulate the amount of foreign material broadcast over the airwaves and impose rules requiring Canadian content.

ACTIVITIES

1. Make a web diagram showing social changes in Canada after World War II. Be sure to include the following, and show relationships among them, where possible: war brides, immigration, the baby boom, suburbs, youth culture.
2. How did the automobile culture change neighbourhoods? What businesses developed because of the automobile culture?
3. What effect did television have on many people's buying habits in the post-war period? What effect do you think it has today?
4. What was life like for many teenagers in the post-war period? Present your answer under the following headings: **a)** independence **b)** styles **c)** music **d)** teenagers as a "target market."
5. Describe the roles of women and men in the 1950s. Discuss reasons why you think many accepted these roles.
6. What is the role of the CRTC? Do you think the agency is necessary? Write a short paragraph explaining your views.

building your skills

Making an Oral Presentation

In recent years, the term "baby boom echo" has been used to refer to children of baby boomers—children born between 1981 and 1996. Some analysts think the "echo" is having almost as great an impact on the economy and buying habits as the original boom did:

> The arrival of the echo kids, the largest group of teens since the boomers themselves, is an important new factor in the retail marketplace. …Because of the echo kids, frozen pizza, metallic nail polish, and name-brand sweatshirts have been growth industries. …Companies that just a few years ago were focussed on figuring out what the boomers wanted now had to ask themselves a second question: "What do the boomers' kids want?"
>
> The answer, of course, is that they want the same things teenagers have always wanted—music and clothing their parents disapprove of and lots of unhealthy food. But there is a significant difference…: these kids have more money to spend. …When the boomers were young, they had to compete for their parents' money with two or three siblings because, at the peak of the boom, the average Canadian woman was producing four children. The boomers themselves, however, produced [an average of] only 1.7 children per family; that means that two-income boomer households have more money to lavish on each [child]. …What some marketers call the "six-pocket" phenomenon—kids getting cash from two parents and four grandparents—explains why many echo boomers can afford to spend $50 for a Nike sweatshirt when a similar garment without the trademark can be had for only $15.
>
> The brand name is increasingly important. Echo kids have been saturated in television since birth and, as a result, they are the most brand-conscious cohort [group] in the history of the planet.
>
> Source: David K. Foot, *Boom, Bust & Echo 2000* (Toronto: Macfarlane Walter & Ross, 1998), 120–121 (abridged).

As an "echo kid," you might have a strong reaction to this description. If you were to explain your views in an oral presentation, where would you start?

Steps in Preparing an Oral Presentation

1. In point form, outline this author's main arguments.
2. Decide what your own opinions are on this topic, and write them down in point form.
3. Develop your opinions and organize them in a written outline that is easy to follow, with one idea leading logically into the next one.
4. Prepare an introduction that will get the audience interested in your topic. Write it out and practise presenting it.
5. Prepare a concluding statement that will leave your audience thinking about what you have said.
6. Practise making your presentation. If it helps, write out the whole speech and practise delivering it, using a tape recorder. Do you speak clearly? Too quickly? Do you emphasize the right points? Pause for effect when you should? (Remember: Always look at the audience when you speak.)

Applying the Skill

1. Watch an oral presentation such as a news report on television. Make notes on the speaker's presentation, including ways in which the presentation is or is not effective, and why.
2. Working alone or with others, prepare an oral presentation on the topic "What it means to be an 'echo kid.'" Your presentation might take the form of a speech, interview, or panel discussion.

Post-War Prosperity

At the end of World War II, the Canadian government needed to find ways to ease the transition from a wartime to a peacetime economy. The government had learned from its lack of preparedness in 1918, when high unemployment and other social problems had led to the Winnipeg Strike. This time, planning began even before the war ended.

After years of hardship during the Depression, Canadians had become used to being employed. Now, a million people who had worked in war-production industries and close to a half-million in the armed services were about to lose their jobs. On August 6, 1945, Prime Minister Mackenzie King called a meeting of the provincial premiers to discuss the transition to a peacetime economy. The premiers were told that the Canadian people wanted "security and stability." During the war, the provinces had transferred their powers to manage the economy to the federal government. King recommended that this change become permanent. This would allow Ottawa to increase or decrease government spending to help solve problems such as unemployment and inflation.

The prime minister's proposals were not well received. The provinces, especially Ontario and Quebec, were not willing to give up the powers given to them at Confederation. King went back to the drawing board. The Minister of Reconstruction, Trade, and Commerce, C.D. Howe, presented a new strategy: private industry would handle the transition to a peacetime economy, with the help of government incentives. Generous tax breaks would be given to companies that agreed to produce consumer goods or invest in new plants. Government Crown corporations were auctioned off to private companies, often at very low prices. Soon, factories were humming—producing washing machines, automobiles, and other items that were in demand. Canada's economy was booming.

Despite Howe's solution, the question of federal–provincial relations did not go away. During the war, Canadians had become accustomed to social programs such as unemployment insurance and family allowances, which offered protection from the grinding poverty of the past. It was clear that Canadians wanted social support programs to continue. How could Ottawa ensure that similar social services were available in all parts of the country, even in provinces that were not rich enough to provide them?

The answer was for the provinces to transfer taxation powers to the federal government. In return, the provinces would receive government

Figure 7-8 After the war, resource industries boomed. The Kemano aluminum smelting project created the boom town of Kitimat, British Columbia, in the 1950s.

grants to provide social services such as health care and education. Through a system of "equalization" or "transfer" payments, the federal government would then transfer to the poorer provinces some of the taxes collected in the richer provinces. In this way, Ottawa succeeded in gaining most of the powers that the provinces refused to give up in 1945. The nature of Confederation changed. The federal government gained power at the expense of the provinces, especially over social programs.

Rich Resources and New Industries

Much of Canada's new wealth came from industries that developed in the post-war years. Some of the new products, including plastics and pesticides, grew out of inventions made during the war. Above all, the economic boom was fostered by the development of natural resources such as metals and other minerals. One of the most important developments was the discovery of oil at Leduc, Alberta, in 1947.

Where new mines and wells developed, *boom towns* were carved out of the wilderness. In some places, airlifts brought in heavy equipment, construction material, and automobiles. Tents, trailers, and temporary shanties were made to serve as offices and homes. Although they were prosperous, many workers in these boom towns were lonely: most were single men, and there were few women.

While resource industries developed in frontier areas, southern Ontario thrived as a centre of manufacturing. By the 1950s, more than half of the nation's factories and plants and 99 per cent of its automobile industry were located in Ontario. In later decades, when resource industries in other parts of the country were not prospering, Ontario would be resented by the other provinces for its domination of industry.

In later decades, also, Canadians would realize that many of the new industries were having a profound effect on the environment, as they dumped wastes that polluted the ground, air, and water systems.

Giant Projects for a Giant Land

As towns across Canada grew, the government recognized the need to improve the country's roads, sewer systems, power plants, schools, and hospitals. Taxes from business and workers in the booming economy would provide the money to pay for these services. Furthermore, the money paid out to construction companies would create more jobs and stimulate the economy as workers spent their wages. Inspired by this thinking, the federal government enthusiastically undertook several **megaprojects** that changed the face of the Canadian landscape.

In 1950, work intensified on the Trans-Canada Highway, which was to stretch from St. John's, Newfoundland, to Victoria, British Columbia. Building the 7821-km road was expensive and difficult, especially through moun-

Figure 7-9 An ore carrier enters St. Lambert Lock on the St. Lawrence Seaway.

tainous sections such as Revelstoke and Golden, British Columbia. When finally completed in 1970, the Trans-Canada was the longest national highway in the world.

The St. Lawrence Seaway was also built, to link the Atlantic Ocean with the Great Lakes and open the heart of the continent to large ocean-going ships. The joint Canada–United States project began in 1954 and was completed in 1959. A complex system of locks, dams, canals, and channels, the Seaway was a major feat of engineering. Long stretches of rapids were dynamited, islands were destroyed or created, and whole communities were moved to make way for the Seaway.

Another giant project was the Trans-Canada Pipeline. Abundant supplies of natural gas had been discovered in Alberta. The pipeline was built to transport gas cheaply from the West to the industrial centres of central Canada.

American Investment: A Continuing Issue

The United States, like Canada, had a booming economy in the post-war years. When it began to run short of raw materials, it looked to Canada as a vast storehouse of minerals and other natural resources. Canadians, for their part, recognized that they needed investment to extract newly discovered resources such as oil, uranium, and iron ore. By 1956, 68 per cent of the oil industry in Canada was U.S.-owned; by 1967, foreign ownership of this resource had risen to 88 per cent. In addition, U.S. companies had opened numerous branch plants in Canada. By 1956, U.S. firms controlled more than half of all manufacturing in Canada.

Canadians regularly debated this situation. Was Canada becoming the "forty-ninth state"? There were advantages and disadvantages to U.S. investment. Branch plants provided many Canadians with good jobs in manufacturing, and Canadian industries benefited from U.S. technology. On the other hand, profits from the branch plants went back to the parent corporations in the United States. To many critics, it looked as though Canada was losing control of its economy. The debate would continue for decades, until the Free Trade Agreement brought about a new economic relationship (see Chapter 6).

Canadian Owners and Workers

The wealth of Canada was not entirely in the hands of others. Canadian tycoons built up commercial empires that commanded vast resources and employed many people. On the west coast, H.R. MacMillan put together one of the world's largest forestry companies. In New Brunswick, K.C. Irving became one of the world's richest men, with businesses ranging from gas stations to timber and newspapers. In central Canada, E.P. Taylor and the Bronfman family controlled the production of many consumer goods and the stores that sold them.

At the same time, members of trade unions fought for a greater share of the country's prosperity. In 1946 and 1947, seven million workdays were lost to strikes as workers fought for the right to form unions and pressed for wages that would support a family. As a result, wages rose—for example, from sixty-nine cents per hour in 1945 to ninety-one cents per hour in 1948. Workers won a major victory in establishing the five-day, forty-hour work week, and increased fringe benefits such as paid vacations. This meant Canadian workers had more money and more leisure time to enjoy it. Business benefited as well, because consumer spending rose. Non-industrial unions grew rapidly, including organizations for teachers, nurses, civil servants, postal workers, and police.

The Limits of Prosperity

Some groups did not share the prosperity of the times. The working poor in cities—including many immigrants—washed dishes, cleaned offices, sweated in meat-packing plants, or toiled at sewing machines under miserable conditions. Women who could not afford to be stay-at-home wives and mothers were at a particular disadvantage. They were made to feel guilty by a society that condemned mothers who went out to work. Women were legally discriminated against by their employers, who paid them less than men even if they did the same work.

Figure 7-10
Public service employees striking in Montreal, 1972.

Using evidence
Which of the signs can you read? What do they indicate about the employees' demands?

	National	Aboriginal
Average per capita salaries and wages	$3500	$1600
Access to credit and loans per person (including farm improvement and housing)	$255	$1
Total per capita investment in housing	$90	$21
Population receiving general assistance	3.5%	36%
Houses with septic tank or sewer services	92%	9%
Houses with running water	92%	13%
Houses with indoor bath	84%	7%
Houses with electricity	99%	44%
Average age of death, including deaths in year one of infancy:		
For females:	64.1	34.71
For males:	60.5	33.31

Source: W. Rudnicki, "The Big Picture: Indian Affairs Branch Statement for Federal-Provincial Conference on Poverty," November 1965.

Figure 7-11 Profile of Aboriginal poverty, 1963.

Interpreting statistics Based on these figures, what general statement can you make about the living conditions of Aboriginal people in Canada in 1963?

Those who fared worst, however, were Canada's First Nations. They suffered the most from environmental damage caused by resource industries. For example, mercury poisoning from a pulp and paper mill contaminated the fish caught and eaten at the White Dog Reserve at Grassy Narrows, Ontario. The development of mines, highways, pipelines, and boom towns disrupted the hunting grounds and way of life of other First Nations.

ACTIVITIES

1. What are transfer or equalization payments? What was the purpose of these payments? How did the start of transfer payments mark a change in the nature of Confederation?
2. Why did the government believe it was necessary to provide Canadians with a system of social services?
3. Why did Canada's economy grow in the post-war years? Give at least three reasons.
4. List at least three gains that trade unions made in post-war years. How did they affect Canadian workers and businesses?
5. Megaprojects, resource development, and industrialization brought many benefits, but there were also costs, such as pollution and urban sprawl. Were the gains worth the costs? Argue your view.

Post-War Politics

The Nation Expands

Prime Minister King's last task in office was to expand the nation from sea to sea. Until 1932, Newfoundland had been an independent, self-governing dominion within the British Empire. During the Depression, however, the island had suffered so badly that its government had gone bankrupt; Britain set up a special commission to govern it. After World War II, the islanders were given the opportunity to vote on their political future in a **referendum**. They were offered three options: to continue under the existing government by commission, to return to the status of a self-governing dominion, or to join Canada.

One man took the lead in persuading the islanders to join Canada. J.R. "Joey" Smallwood was a skilful politician who argued that union with Canada would bring modernization and higher living standards to Newfoundland. Yet, many Newfoundlanders believed the benefits could not make up for the higher taxes and loss of identity that Confederation would bring them. Some would have preferred economic union with the United States.

In a referendum in June 1948, only 41 per cent of Newfoundlanders favoured Confederation. A larger number, 44.6 per cent, voted in favour of returning to the self-governing dominion status, while 14 per cent preferred government by commission. As no option won a clear majority, another vote was scheduled for late July. This time, the commission option was dropped, and the Confederation option won 52 per cent of the vote. On March 31, 1949, Newfoundland became part of Canada.

The Changing Face of Politics

Mackenzie King had been in power longer than any Canadian prime minister before him. In 1948, at the age of seventy-three, he retired. He was succeeded by Louis St. Laurent, and a new age of politics was born.

King had governed in the days before television. The media in those days did not pry into the private lives of politicians. By the early 1950s, the media were playing a much larger role in Canadian life. St. Laurent was a Quebec lawyer who entered politics late in life. When a reporter noticed, on the campaign trail, that he seemed to like children, the Liberal advertising agency made sure the nickname "Uncle Louis" stuck to him. The media thus created the image of a kindly relative. In reality, St. Laurent was an aloof man with a rich lifestyle. Nevertheless, most Canadians saw him differently. The media had become the makers of public image. From this time on, they would play a large role in Canadian politics.

By 1957, television showed the seventy-five-year-old Laurent looking tired and depressed. In comparison, the new Progressive Conservative leader, John Diefenbaker, was electrifying. Used to public speaking as a defence attorney in

Figure 7-12 St. Laurent on the campaign trail.

Expressing ideas What impression does this photograph give of St. Laurent? What elements in the photo suggest that it was carefully posed?

Saskatchewan, "Dief" proved to be a great campaigner and a witty orator. Television carried his image across the nation, and he led his party to an election victory, the first westerner to become prime minister. The defeated Liberals chose a new leader, the diplomat Lester "Mike" Pearson.

Dief versus Mike

For the next decade, Diefenbaker and Pearson dominated Canadian politics, taking turns at being prime minister and leader of the opposition. The two men had different styles and visions of Canada. They were bitter rivals, fighting five national elections in ten years.

Of German extraction, Diefenbaker was the first Canadian prime minister whose father was of neither English nor French background. He saw himself as a Prairies populist, one who spoke for and listened to ordinary people. Ordinary people, in turn, responded to him. A colleague recalled the 1958 campaign: "I saw people kneel and kiss his coat. Not one, but many. People were in tears. People were delirious."

Diefenbaker was passionately committed to what he called "unhyphenated Canadianism"—a belief in the equality of all Canadians, whatever their heritage. A staunch nationalist, he also believed in preserving Canada's British connections and standing up to the Americans. In addition, he championed human rights. He was the first prime minister to include a woman in his Cabinet and to appoint an Aboriginal senator. He gave Canada's **status Indians** living on reserves the right to vote in federal elections. It was also Diefenbaker who introduced the Canadian Bill of Rights (see Chapter 12).

While Diefenbaker's beliefs made him popular among many Canadians, they were also the source of his problems. In particular, French-Canadians, who saw their culture as distinct, did not appreciate Diefenbaker's version of "unhyphenated Canadianism."

Pearson and his Liberals appealed to younger and urban voters, especially in central Canada. Pearson's vision of Canada was based on two founding peoples, French and English. He believed that, in the long run, the British connec-

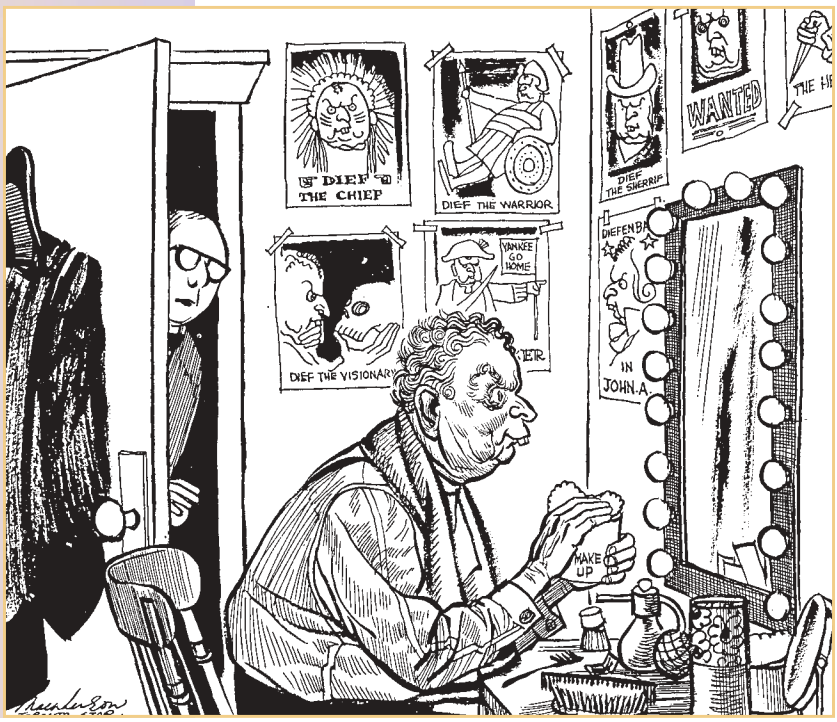

Figure 7-13 Diefenbaker was by nature theatrical. He was a lawyer before he became a politician, and "once, in the British Columbia Supreme Court, he fell to the floor, clutching his throat, to show how a murder had been committed, until a horrified judge rebuked him." He was also a talented mimic: "The repertoire was varied and endless. Striding up and down his little office…, Diefenbaker would people it with the entire Parliament, from the Speaker to the page boys." (B. Hutchison, *Mr. Prime Minister*, 1964, 319.)

tion to Canada would be severed. In his view, Canada needed an identity that would be meaningful to all Canadians, including the two million people who had immigrated since World War II.

Pearson was responsible for many features of modern Canada. His government introduced a trial abolition of capital punishment and easier divorce laws. Above all, he is remembered for introducing Canada's flag (see Chapter 8) and for improving Canada's social welfare system.

Social Welfare

Pearson's government continued to build on the social welfare programs started by Mackenzie King. During the war, King was looking for a way to keep the support of voters who remembered the hardships of the Depression and were attracted by the CCF (Cooperative Commonwealth Federation), the political party that stood for social benefits. As a result, he introduced unemployment insurance in 1940 and the family allowance, or "baby bonus," in 1944. In 1966, Pearson's government began the Canada Pension Plan, which improved on existing pension schemes. It also introduced the Canada Assistance Plan to help the provinces finance social assistance programs for all needy people. In the same year, Pearson introduced Canada's system of *medicare*.

The struggle for government-funded medical care had started many years earlier in Saskatchewan. At that time, Canadians who fell seriously ill could see their life savings wiped out on medical care. They had to depend on charity or face debt or bankruptcy to pay medical bills. Despite bitter opposition from doctors, Saskatchewan Premier T.C. "Tommy" Douglas introduced a complete medicare program that allowed all people in the province to seek medical treatment without paying directly out of their own pockets. When the bill was finally passed in Saskatchewan in 1962, it proved to the rest of the nation that a medicare system was possible.

In the same year, Tommy Douglas left provincial politics to become leader of the New Democratic Party (NDP), formed from the CCF. Fearing that the NDP might capture votes with a campaign for national medicare, the Liberals

Figure 7-14 Pearson's period of government was plagued by scandals, and the prime minister often seemed bumbling. Nevertheless, his achievements were considerable.

Interpreting a cartoon Both this cartoon and the one in Figure 7-13 were done by noted Canadian cartoonist Duncan Macpherson. Compare the cartoons. What are the similarities and differences in the way the prime ministers are presented? What do the cartoons say about each prime minister? What do they say about politicians at the time?

added health care to their party platform. As a result, the national **Medical Care Act** was passed in 1966. This bill meant that federal and provincial governments would now share the cost of medical care by doctors and hospitals for all Canadians, with funding coming from taxes.

Medicare was, and continues to be, a controversial social program. It is very costly, and some critics are dissatisfied with the government's role in the provision of health care. In poll after poll, however, Canadians identify medicare as the social program they value most.

Figure 7-15 Polio survivor Jeff Cranny as a "Timmy"—poster child for children with disabilities—in the 1950s. Polio is an infectious disease that causes temporary or permanent paralysis or death. Polio epidemics struck each summer in the early 1950s. To stop the spread of infection, swimming pools, movie theatres, and sometimes even schools were closed. It was an enormous relief when, in 1954, a U.S. doctor, Jonas Salk, developed a polio vaccine.

1967: Canada Turns 100

In 1967, towns and cities throughout the country celebrated Canada's centennial, or one-hundredth birthday. The celebrations reached a peak in Montreal, the site of Expo 67, an international fair that brought the world to Canada. Expo 67 was a triumph. The glamour and excitement of the fair seemed to define a new and positive spirit of Canadians as they celebrated 100 years as a nation.

As the centennial year drew to a close, the end was also approaching for Diefenbaker and Pearson, who had led the nation in its tenth decade. Both leaders seemed out of touch with the times, especially in comparison with the image of political leaders set by the dynamic, youthful U.S. President John Kennedy and his glamorous wife, Jacqueline. Diefenbaker was defeated in a leadership convention of the Progressive Conservative Party in September 1967. Pearson made the decision to step down and allow his party to choose a new face and leadership style to take the country into its second century.

ACTIVITIES

1. **a)** Why did Newfoundlanders disagree about joining Canada?
   b) Only 52 per cent of Newfoundlanders voted to join Canada. Do you think this was enough of a margin to warrant such a huge political change? Should it have been necessary for a greater percentage to support the change? Give reasons for your view.
2. **a)** Define social welfare.
   b) Why did most Canadians support the introduction of medicare and other social welfare programs?
3. To have a social conscience is to care for all people in society and try to improve their lives. How did Diefenbaker, Pearson, and Douglas all demonstrate a social conscience?
4. There was intense rivalry among Diefenbaker, Pearson, and Douglas. Did this rivalry benefit Canada? Give reasons for your view.

The Trudeau Era

Pearson's successor was Pierre Elliott Trudeau, a new kind of political figure for Canadians. Previous leaders had seemed formal and serious, but Trudeau was relaxed and irreverent. He scandalized members of Parliament by arriving at the House of Commons in a flashy sports car and wearing sandals and an open-necked shirt. A bachelor until 1971, he dated celebrities like Canadian guitarist Liona Boyd and U.S. actor Barbra Streisand. He delighted in joking with reporters, sliding down banisters, and pirouetting behind the Queen's back before the cameras.

Canadians were thrilled. Trudeau captured their imagination like no other politician before or since. Crowds of admiring followers swarmed him at his public appearances. Young people responded to him as though he were a rock star. "Trudeaumania" gripped the nation.

Glamorous and charismatic, Trudeau also had a clear vision of what he thought Canada should be. He used the expression "**just society**" to describe the kind of country he wanted to build. He believed firmly that government had a duty to protect the rights and freedoms of people, and to foster their social and economic well-being. At the same time, he was a strong advocate of individual freedom, and believed that governments should not interfere with personal liberties.

Towards Social Change

Trudeau was a man of his times. In the late 1960s, many Canadians were calling for change. Some took to the streets to make their protests heard. Among the most vocal of the groups were the student movement, the women's movement, and the environmental movement.

The "Youthquake"

By the early 1960s, adults were beginning to accept the teen culture that had evolved after World War II. After all, as a result of the baby boom, over half the population of North American was under the age of twenty-five by 1965. However, the adults' sense of comfort was short-lived. From the mid-1960s, the sheer numbers of young people in North America and western Europe created a more powerful youth culture of protest—a "**youthquake**."

Figure 7-16 Pierre Trudeau stands before a crowd during an official visit to Grand Bank, Newfoundland, in 1971.

Expressing ideas Why do you think this image would have appealed to many Canadians?

up close

Four Who Made a Difference

Most of the pressure for change came from groups in the 1960s and 1970s. Nevertheless, many individuals stood out, and helped to make a difference in a variety of ways. The following profiles tell the stories of just four.

Irene Murdoch

Irene Murdoch was an Alberta farmer who worked alongside her husband on their family ranch. For five months each year she was in charge of the farm while her husband found work elsewhere. In 1968, Murdoch decided to divorce her husband, who had been abusive. She claimed a share of the ranch on the basis of her contributions to it. The case went all the way to the Supreme Court of Canada, but Murdoch was denied her claim. In the opinion of the majority of judges, Irene Murdoch's work was only what would have been expected from a farmer's wife, and it did not entitle her to any claim to a partnership with her husband in the ranch.

Canadian feminists were outraged at the court's ruling, and decided to present the case to the "wider court" of Canadian public opinion. They publicized the case across the country. In 1973, Irene Murdoch was finally granted a payment. Her case helped bring about many changes in family law during the 1970s. The Ontario Family Law Reform Act of 1978, for example, stated that child care, household management, and finances were the joint responsibility of both husband and wife. It also required that both parties be entitled to an equal division of the family assets in the event of divorce.

Rosemary Brown

Rosemary Brown achieved many "firsts" in Canadian political life. Born in Jamaica in 1930, she came to Canada to study at McGill University in Montreal. She later moved to Vancouver, and in 1972, won a seat in British Columbia's NDP government, the first black woman to be elected to a legislature in Canada. In 1975, she ran for the federal leadership of the NDP. Although she lost the race, she was, again, a trailblazer for women and minority groups in Canada as the first woman and first African-Canadian ever to contest the leadership of a major political party.

When she retired from political life, she served in a number of public positions. In 1996, Brown was named an officer in the Order of Canada in recognition of her many important contributions to public life.

Figure 7-17 Rosemary Brown.

David Suzuki

Scientist David Suzuki became internationally famous for his commitment to the environment. Suzuki was born in Vancouver in 1936. During World War II, he and his family were interned with thousands of other Japanese-Canadians. His internment camp was located in a deserted mining town in the Slocan Valley, and it was here that Suzuki discovered his love of nature. Later, Suzuki trained as a geneticist, but he has also applied his scientific knowledge to many environmental issues. He has contributed to a growing awareness of environmental issues in Canada and other countries through his popular books and radio and television programs.

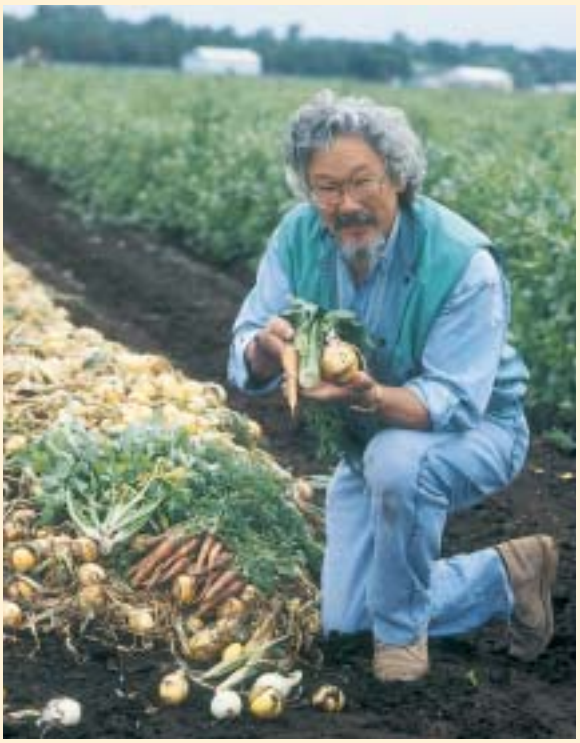

Figure 7-18 David Suzuki.

Terry Fox

In 1980, twenty-two-year-old Terry Fox, who had lost a leg to cancer, inspired Canadians with his "Marathon of Hope," a run across Canada to raise money for cancer research. He ran from St. John's to Thunder Bay, stopping only when cancer was discovered in his lungs. In a massive and emotional response to his story, Canadians donated almost $25 million to his fund. Fox died in 1981 in his home town of New Westminster, British Columbia. Thousands of people participate annually in a fund-raising run named after him.

Figure 7-19 Terry Fox.

Questions

1. How did Irene Murdoch, Rosemary Brown, David Suzuki, and Terry Fox make a difference? Make a chart summarizing the impact of each of these figures. Use headings such as Problems Faced, Reaction to Setback, Achievements.

2. Select at least two other Canadians whom you consider "made a difference" during this period. Explain why you selected these people.

The transition began with the "British invasion," led by four long-haired young men from Liverpool, the Beatles. Boys' hair became longer, girls' skirts shorter. "Psychedelic" fashions became popular for both sexes. This was the start of the "hippie" phenomenon. Large numbers of young people embraced rock music, long hair, bizarre clothing, sexual promiscuity, and experimentation with drugs as a protest against mainstream society. With slogans such as "Make love, not war" and "Turn on, tune in, drop out," they strove to be different from earlier generations. For many of their parents, the world seemed to be coming apart.

Some young people had more serious aims. Many students had strong political beliefs, and rejected the consumerism of post-war society in the hope that the world would be changed for the better. Some became involved in the women's, environmental, and Aboriginal movements. Many joined in protests against the war in Vietnam, hoping to persuade Canadian leaders to take a stronger stand against the war.

Popular music of the day reflected these concerns. Protest songs decried racism, war, and the devastation of the environment. Protest singers like Americans Bob Dylan and Joan Baez attracted a wide following. Rock groups like the Beatles, the Rolling Stones, and The Who captured the mood with songs like "Revolution," "Street-Fighting Man," and "Talkin' 'bout My Generation."

The youthquake showed Canadian governments that young people were becoming more politically aware. Soon, politicians began making an effort to appeal to them. Governments began spending more money to provide employment and activity for youth. In 1972, the voting age for federal elections was lowered from twenty-one to eighteen, after most provinces had already lowered theirs. Hoping to decrease the appeal of illegal drugs, most provinces lowered the legal drinking age to eighteen at the same time.

It was only as the 1980s approached that baby boomers began moving away from their radical political opinions and lifestyles. They were entering the workforce and forming families. Financial concerns replaced youthful idealism. Their desire for wealth led some to nickname them the "Me Generation," a group fixated on

Figure 7-20 Although many young people had serious aims, their appearance and behaviour shocked the older generation.

Expressing ideas Why do you think some members of the older generation disapproved of scenes such as this?

self-satisfaction. The social protest movement had all but disappeared.

The Women's Movement

During the social protests of the 1960s, **feminism** emerged as a significant force. Many women had come to resent the expectations of the post-war period. They felt isolated in the suburbs and trapped by roles that did not allow them to develop their potential. Those who did work were streamed into lower-paying jobs such as waitressing, hairdressing, secretarial work, and retail sales. As you have seen, employers could legally discriminate against them in both wages and benefits.

Responding to pressure from feminists, the government set up the Royal Commission on the Status of Women in 1967 to examine women's place in Canadian society. The Commission reached several important conclusions:

- Women should have the right to choose to work outside the home.
- Society in general, as well as parents, should take some responsibility for children; therefore, day care services should be provided.
- Women should be entitled to paid maternity leave from their jobs.
- The federal government should do all it can to help overcome discrimination against women in society.

But would the federal and provincial governments follow these recommendations? Several women's groups joined forces to form the National Action Committee on the Status of Women (NAC) in 1971. This **pressure group** began to lobby both federal and provincial governments to act quickly on the Commission's recommendations. One of NAC's key victories was the inclusion of a clause guaranteeing the equality of women in Canada's Charter of Rights and Freedoms, which came into force in 1982 (see Chapter 12).

Canadian feminists also demanded that women be promoted to positions of responsibility in government, business, education, and the civil service. They argued against the stereotyping of women and the kinds of work they do, and pressed for changes in schools, where girls were not encouraged to excel in math and sciences, subjects more likely to lead to a well-paying job.

By the 1980s, more Canadian women were becoming engineers, doctors, politicians, and company presidents—pursuing careers in which they had previously been underrepresented. There were still barriers to overcome, but the women's movement had made a lasting difference to Canadian society.

The Environmental Movement

In 1962, a U.S. writer, Rachel Carson, published *Silent Spring*. This book warned the public that terrible damage was being done to the Earth's air, water, and land. Gradually, organizations were established to lobby the government to control industrial pollution.

At first, business and governments resisted any attempts to limit pollution, but public concern over the environment rose dramatically. Eventually, the federal government and many provinces passed laws requiring companies to prove that their projects and plants would not harm their immediate environment. Recycling in homes and in industry also became an issue, and automobile companies were pressured to make vehicles that were more fuel-efficient and produced less pollution.

Of all the environmental groups that were formed during this time, Greenpeace was the most famous. It was created in 1970 by a small group of activists in British Columbia. They were concerned about the testing of a nuclear bomb off the coast of Alaska. Greenpeace organizers took a small boat into the test area to protest the explosion, and refused to leave until the test was cancelled.

Since then, Greenpeace has used other dramatic tactics to draw attention to environmental issues. The organization has attracted a great deal of support, and a great deal of criticism for its tactics. No one doubts, however, its ability to attract attention. Today, the organization is based in Amsterdam, but a number of Canadians remain among its leaders.

ACTIVITIES

1. "Pierre Trudeau was a man of his times." Find evidence to support this view.
2. **a)** Name three protest groups that emerged in Canada during the 1960s.
   b) What kind of an impact do you think each of these groups has since had on Canadian society?
3. Many young people of the 1960s and 1970s believed they could change the world. List some of their aims. Do you think they succeeded? Explain.
4. **a)** Explain how the media were important in creating the image of politicians in this period.
   b) How is the current prime minister presented in the media? Use pictures from different sources to compare the images created. Include editorial cartoons.

Economic Challenges

When the Trudeau era began, Canadians could look back on nearly two decades of economic prosperity. People old enough to remember the dark days of the Depression were amazed by the wealth they were enjoying. Many Canadians believed that the post-war boom would continue indefinitely. Severe unemployment and poverty were surely problems of the past, never to be seen again. But within just a few years, this optimism was badly shaken.

The Problem of Inflation

A variety of factors caused the economic crisis, but one of the most important was an oil embargo imposed in 1973 by the Organization of Petroleum Exporting Countries (OPEC). In that year, war broke out in the Middle East between Israel and its Arab neighbours. Many Western countries, including Canada, supported Israel. In retaliation, OPEC, which included many Arab countries, refused to sell oil to these countries. Almost overnight, oil and gas prices jumped about 400 per cent!

The huge increase in oil prices started a round of inflation that would last most of the 1970s. The prices of all manufactured products went up sharply, and Canadians found that the purchasing power of their dollar fell steadily. Suddenly, they were heading for tough economic times.

As prices rose, Canadian workers began to demand higher wages; but as their wages increased, so did prices, and inflation spiralled. At the same time, businesses were failing. Their costs for energy and labour had soared, but the demand for their products was down. Unemployment in Canada soon rose to its highest level since the 1930s.

For the average Canadian family, the 1970s were unsettling times. Inflation stretched household budgets and increased the need for women to enter the workforce. Dual-income families, with two wage earners, became common. By 1978, the average family's buying power had fallen for the first time since the end of World War II. With few exceptions, it has continued to do so ever since.

Regionalism

To make matters worse, two economic problems that had plagued Canada in the past resurfaced. Both were the result of regionalism. The first of these problems was **regional disparity**, or the economic gap between the poorer and more prosperous regions of Canada. As in the Depression of the 1930s, industries based on natural resources were hit the hardest in the recession of the 1970s. The fishing industry in Atlantic Canada and the forestry, mining, and fishing industries in British Columbia suffered massive layoffs. Ontario and Quebec did not seem to suffer from as much of an economic downturn, and the other provinces resented them.

It was in western Canada that this sense of grievance against the central provinces reached its highest pitch. This was the second of the regional problems—**western alienation**. Ever since the prairie provinces had entered Confederation, western alienation had been a concern. People in the Prairies had long believed that many of Ottawa's policies favoured central Canada at the

expense of the West. In the 1970s, the West found a particular cause for grievance. In response to the oil crisis, the federal government froze the price of domestic oil and gas. It also imposed a tax on petroleum that was exported from western Canada. The money raised by the tax would be used to subsidize the cost of imported oil in the East. These actions infuriated Albertans who, along with their premier, Peter Lougheed, felt that Alberta had the right to charge world prices for its oil:

> The Fathers of Confederation decided that the natural resources within provincial boundaries would be owned by the citizens through their provincial governments, rather than through the federal government....
>
> We view the federal export tax on Alberta as contrary to both the spirit and the intent of Confederation. We object to it in principle because it is discriminatory. It is not just an export tax—it is also a price freeze on all of Alberta's oil production at immense cost to Albertans....
>
> [For] the federal government to have taken such a major step unilaterally, without first even consulting with the producing provinces, is unfortunately firmly implanted in the minds of Albertans in terms of Ottawa's attitude towards the West.
>
> Source: Peter Lougheed, Federal–Provincial Conference on Energy, Ottawa, January 22, 1974.

To help deal with unemployment and regional disparity, the Trudeau government increased transfer payments to the provinces to be used for social services. It also spent millions of dollars on regional projects to help economic development in certain areas, especially the Atlantic provinces.

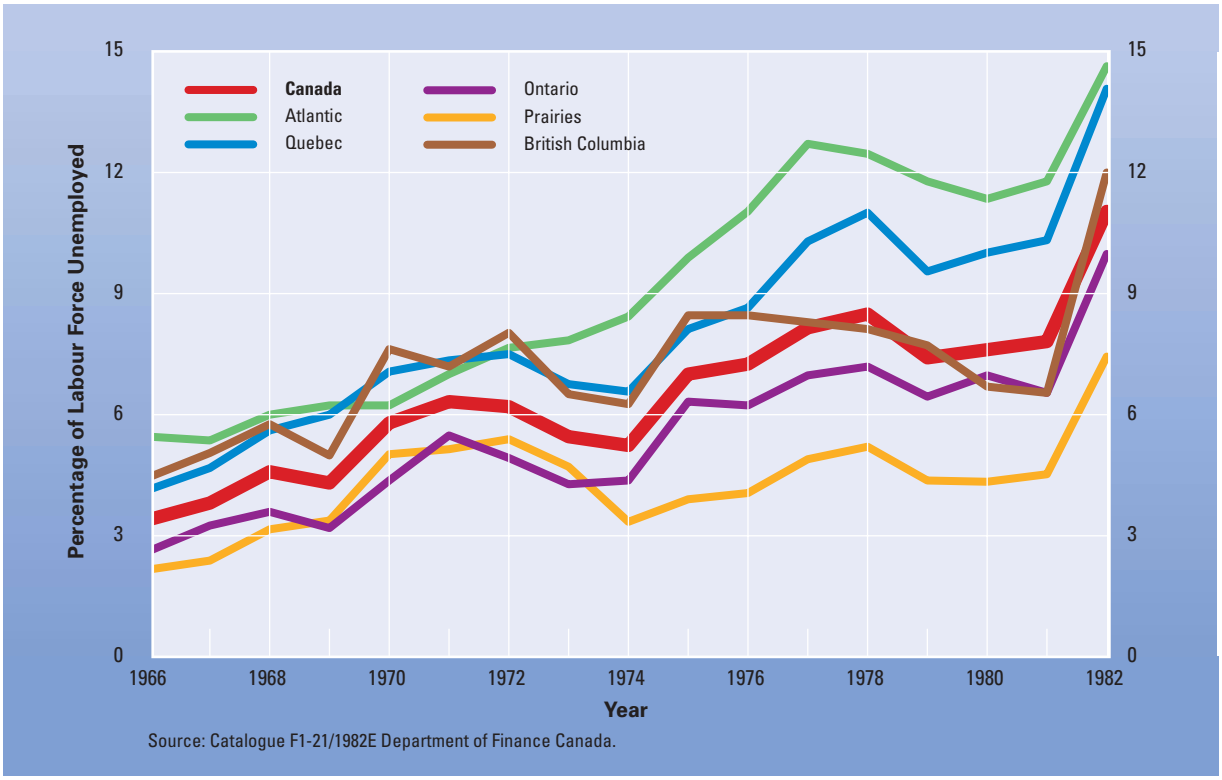

Figure 7-21 Regional unemployment rates, 1966–1982.

Reading a graph Which regions had the highest unemployment? Which had the lowest? How did the rate in British Columbia vary in relation to the other provinces? How might you account for this change?

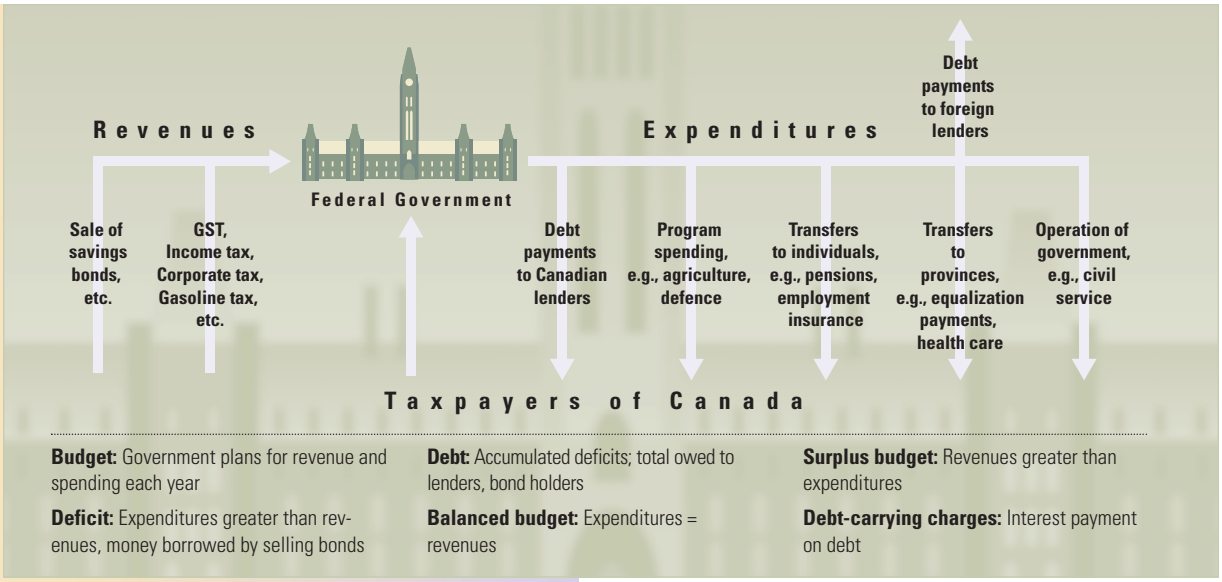

Figure 7-22 Government finances.

Gathering information What are some of the sources of government revenue? What are some of its expenditures?

To deal with a renewed oil crisis and rising gas prices, the Liberals also brought in the National Energy Program (NEP). The NEP had three aims: to reduce consumption of oil, to protect Canadians from rising oil prices, and to make Canada self-sufficient in oil. The program provided funding to Canadian petroleum companies to drill for oil in promising sites in the Arctic and off the coast of Newfoundland. It also took steps such as encouraging consumers to switch from oil to gas and electric sources of power. Alberta, once again, reacted angrily. By 1984, oil prices had fallen and the NEP had been dismantled, but the bitterness it caused in the West would linger for years to come.

The Debt Crisis

All these moves to protect the economic well-being of Canada and its people were proving expensive. Social services cost more than anyone had envisioned. Government was operating at a **deficit**: expenditures (amount of money spent) were far greater than revenues (money taken in, especially through taxes). When businesses failed and people lost their jobs, the government collected fewer taxes but had to spend more on welfare and unemployment insurance. As a result, it had to borrow money to pay for its programs. By the time Trudeau left office in 1984, the federal government was almost $160 billion in debt.

Mulroney and the Debt

Brian Mulroney's Progressive Conservatives swept to power in 1984 with a promise to address Canada's economic problems. The Conservatives were inspired by events in the United States and Britain. In both countries, conservative governments were cutting back on the role of government in the economy. In the United States, President Ronald Reagan thought the solution to economic problems lay in the hands of corporations and wealthy citizens. If they were given large tax breaks, he believed, they would reinvest in the economy and create new jobs for everyone else. In Britain, Conservative Prime Minister Margaret Thatcher took a similar line. She lowered taxes and drastically cut spending on social benefits. People would have more incentive to work, she claimed, if the state did not take so much care of them.

Figure 7-23 Prime Minister Chrétien listens to Paul Martin defending his budget, 1995.

Mulroney planned to use this approach to cut the debt. He would save money by trimming social programs. The savings would help to pay off the debt. He would stimulate the economy by cutting the rate of taxes. The Free Trade Agreement with the United States would cause businesses to thrive, and people would be employed. In this way, government revenues would actually increase.

But the plan did not work. Canada was hit by recession in 1990. Once again, businesses failed and workers lost their jobs. Once again, fewer people paid taxes but more needed welfare and unemployment insurance. Instead of falling, the debt increased. The government was forced to increase, rather than cut, taxes. Its failure to tackle the debt contributed to the disastrous defeat of the Conservatives in 1993, when only two Tories won seats in the federal election.

The Liberals and the Debt

When Jean Chrétien and the Liberals came to power in 1993, they inherited a staggering national debt of close to $466 billion. Their solution was to inject more money into the economy. These projects would create jobs, and workers would then spend their earnings and boost the economy. The Liberal government spent $6 billion on public works such as road repairs and new bridges.

Chrétien's Liberals had little opportunity to judge the effectiveness of their policy. At the end of 1994, interest rates shot up. Finance Minister Paul Martin calculated that interest alone would force the annual debt-carrying charges up to $60 billion within five years. Considering this a crisis, Martin announced that Canada could no longer afford "big government." It could not afford to continue spending on social services as it had in the past.

Martin began cutting federal government spending. He rejected the suggestion that he raise taxes as a solution. Instead, he cut $25.3 billion in spending over three years. More than 40 000 jobs in the federal civil service were done away with. Transfers to provinces for post-secondary education, health care, and welfare were substantially cut. Subsidies to businesses were removed. And the deficit grew smaller year by year.

The government was achieving its aim, but Canadians paid a high price. The federal government did less for them. For example, universities and colleges had to raise their tuition fees. The health care system suffered badly. Through the 1980s and 1990s, health care costs had risen

counterpoints

Should Social Services Be Cut to Reduce the National Debt ?

Paul Martin's policy of deficit reduction cut away at Canada's social services. Nevertheless, the Liberals were re-elected in 1997, partly because they had attacked government spending. By 1998, they had a **surplus**. This meant that revenues exceeded expenditures: the government was spending less than it took in. It did not mean that the debt had been paid off. The government still owed money it had borrowed over the years.

The surplus ignited a debate about the role of government in the economy. The government had four main options:

- Use the surplus to reduce the debt.
- Use the surplus to restore spending on social programs, such as health care.
- Reduce taxes to eliminate surpluses in coming years.
- Use parts of the surplus for each of the above.

Provincial premiers called upon the federal government to increase transfers to provinces for health care and other social programs. Groups concerned with welfare issues supported this view. They argued that the government was paying too much attention to deficit and debt reduction. It was more important to help those in need, many of whom were in no position to help themselves. Some also maintained that Canada's social programs gave the nation its identity, keeping it distinct from the United States, where few social services are provided by government.

Opposition parties pointed out that the debt was still very high, and that the government was still paying interest on its loans. If the government did not pay off what it owed, they argued, it would simply get further and further into debt. They wanted the surplus used to reduce the debt. These critics also called for a reduction in taxes, which they believed would boost the economy. Some returned to the arguments of the Mulroney era, saying that it would actually be better in the long run for Canadians to be more self-sufficient and less dependent on government support.

Figure 7-24 Nurses on strike in Saskatchewan, 1999. They were protesting health care cutbacks, arguing that the safety of patients was at stake.

The government chose to repay some of the debt and also to increase social spending to some extent. But in trying to satisfy both sides, it seemed to please neither. The debate over social services and the debt continued to be a central issue for many Canadians.

Analysing the Issue

1. Make a comparison organizer listing arguments for and against deficit reduction as described in the text.
2. If you had been finance minister in 1998, what would you have done with the surplus, faced with the four options listed?
3. In 2000, the national debt was about $576 billion. Much of this debt was owned by Canadians themselves. For example, if you or your family members have Canada Savings Bonds, or provincial or municipal bonds, you own part of the debt. What difference do you think this makes to the seriousness of the debt problem?
4. What do you think Canadian governments should do about spending, debt, and social services in the future? Give reasons for your view.

rapidly. New drugs and technologies were expensive, and an aging population meant increased use of the system. At the same time, as the federal government cut transfer payments to the provinces, less money was available for health care. Hospital wards were closed; staffs were reduced; registered nurses were replaced by aides having much less training; and the length of hospital stays was reduced. Canadians were alarmed. Some patients went to the United States for treatment because the services they needed were not available in Canada. There were even reports of people dying because the Canadian system could not provide medical attention soon enough or at all.

There were other problems. Rising numbers of Canadians were homeless, and many had to rely on food banks. Thousands of Canadian children were living in poverty. Yet, at the beginning of the new millennium, the future of Canada's social services was uncertain.

Canada and New Technology

World War II spurred a wave of new technology, as you saw earlier in this chapter. By the 1970s, this wave had grown tremendously, and was picking up speed. Computers and other communications technologies were revolutionizing the way Canadians worked, played, and communicated. Canada had entered the "information age."

As the speed of air journeys increased and the cost fell, Canadians became world travellers. With satellite broadcasting, they had access to hundreds of television stations. Satellite links also allowed for cheap long-distance telephone calls, making it far easier for Canadians to communicate with family or friends and businesses abroad.

In the early 1980s, it was possible to own a personal computer, one with limited power. At the beginning of the twenty-first century, more than half of Canadian homes had computers. Many of these computers were used for Internet access, and a range of information and consumer services were available on-line. Some Canadians began to "telecommute": to work from their home or car, keeping in touch with the office via computer. In some industries, robots—computer-programmed machines—replaced humans, working at a fraction of their cost. A "new economy" emerged, in which knowledge, skills, and the ability to adapt to new situations became more important than ever before.

You will learn more about the impact of new technology and its implications for the future in Chapter 18.

ACTIVITIES

1. What economic problems did Brian Mulroney inherit? How did he propose to deal with them? What was the outcome?
2. How did the Liberals propose to deal with Canada's economic problems when they came to power in 1993? Why did they change their approach? What steps did they take, and what was the outcome?
3. What would be the effect of high inflation on:
   - **a)** people on fixed incomes and pensions?
   - **b)** workers who were not in unions?
   - **c)** lenders who had agreed on a low interest rate for a loan to be paid back over five years?
   - **d)** a family seeking a mortgage loan to buy a house?
4. How did the problems of this period influence the growth of:
   - **a)** regionalism?
   - **b)** western alienation?
5. What did Paul Martin mean when he said Canada could no longer afford "big government"?

Innovations

The Technology Explosion

In the 1950s and 1960s, *television* was the dominant technology that transformed the way Canadians were entertained and educated. *Vinyl* also had a huge impact. It was invented between the wars by the chemist who also discovered bubble gum. Fire-resistant, waterproof, malleable, and cheap, this synthetic product was used to make a host of products, including long-playing records, garden hoses, and shower curtains.

Cheaper plastics also made the *ballpoint pen* readily available after the war. It was denounced by schoolteachers, who felt that the old straight pen and ink bottle produced better handwriting.

In 1948, Bell Telephone announced the invention of the *transistor*, an electronic device for amplifying and switching that is durable, small, and inexpensive. In 1955, Sony Corporation sold the first transistor radios, and over the next decades the radios grew smaller and more portable. Radio, which was predicted to die out in the age of TV, was revived, as teens could now take their ▶ music with them wherever they went.

The *birth control pill* became available in 1960 and the first *disposable diapers* were introduced in the mid-sixties. Both products contributed to the increase in the number of women working outside the home.

Technology was also transforming medicine. In 1951, the first heart *pacemaker* (below) and artificial heart valves extended the lives of people who, just years before, would not have survived. Artificial kidneys (*dialysis machines*) and kidney transplants also saved lives. The first successful heart transplant took place in 1967. In 1978, the first "*test-tube baby*" was born, and in 1997, scientists announced the first *cloning* of a mammal, a sheep named Dolly.

Video-cassette recorders (VCRs), *microwave ovens*, and *cable television* all became widespread in the 1980s. The *compact disk* was introduced in 1984; it soon displaced vinyl records and became a common way of storing information.

The first computer *microchip* was invented in 1971, and went on to revolutionize computer technology. Computers had been in use since the end of World War II, but they were very big and slow in processing information. The microchip made computers smaller, more portable, and cheaper. The first home computers appeared on the market by the mid-1970s, but were not yet common in the early 1980s.

The *Commodore 64* computer (1982) had no hard drive, a very slow 4-MHz processor, and limited software. Nevertheless, it showed that desktop computers in homes were practical. By 1993, the *Internet* allowed for cheap and almost instant communication between personal computers, and for enormous amounts of information stored in databases around the world. ▼

The *Global Positioning System* (GPS) became widely available in 1994. This satellite system allows users to plot their position on the globe with great accuracy. Soon commercial airliners, private yachters, and wilderness campers were all using GPS.

LOOKING BACK

Develop an Understanding

1. Summarize social and economic changes that occurred during the decades following World War II. You might do this in point form, or in a timeline or short essay.
2. List some effects of the baby boom. Use information from the text, and brainstorm suggestions of your own.
3. Define *consumer society*. Give three examples indicating that Canada developed a consumer society after World War II.
4. Working in a group:
   - **a.** identify three major causes of change described in this chapter
   - **b.** make a cause-and-effect chart showing the impact of these forces of change on Canadian society.

Explore the Issues

5. In the 1950s, the president of General Motors called Canada "a vast storehouse of agricultural and mineral wealth waiting for further development." What did he mean? Use his statement as the basis for a PMI chart titled "U.S. investment in Canada in the post-war period."
6. Which groups do you think benefited most from the economic boom after the war? Which groups did not benefit? Why do you think this was so?
7. **a.** Identify what you think are the three most significant technological developments mentioned in this chapter.
   - **b.** Explain why you have chosen these items.
   - **c.** Suggest how your life might be different today if these developments had never been made.
8. How do you think the issue of western alienation should be dealt with by the federal government? Explain your reasoning.

Research and Communicate

9. Interview your parents, grandparents, or other family members about their memories of the post-war years. Present your findings in the form of a report or wall display.
10. Prepare an audio-visual presentation using slides, tapes, and/or computer technology to present the fashions and music from a period of time covered in this chapter—for example, 1945 to 1965, 1965 to 1985, or 1985 to 2000.
11. As part of a group, research a major economic project of the 1950s, 1960s, or 1970s. The Trans-Canada Highway, St. Lawrence Seaway, Trans-Canada Pipeline, Kemano Project, and Columbia River Project are examples. Prepare an illustrated presentation covering the costs, benefits, environmental impacts, and other relevant factors. Present your report to the class.
12. Compare the lyrics of a song from the 1960s with one from the 1980s or 1990s. Present your findings to the class. If possible, play the songs for your classmates.
13. In 1967, a famous Canadian communications theorist, Marshall McLuhan, wrote a book called *The Medium Is the Message*, in which he claimed that the form our information takes can be more important than the actual message it carries. McLuhan was writing mainly about television. Find out more about Marshall McLuhan. Present your findings in the form of a short report. Include your own ideas about how McLuhan's ideas might be applied to more recent forms of communication, such as the Internet.